

# Economic and Neighborhood Development CSA

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**Core Service: Business/Job Attraction, Retention, Expansion and Creation**

*City Manager – Office of Economic Development*

## **Core Service Purpose**

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**P**romote business by providing assistance, information, access to services, and development permit facilitation.

### **Key Operational Services:**

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|---|---|
| <input type="checkbox"/> <b>Economic Development Strategy</b> | <input type="checkbox"/> <b>San José Enterprise Zone</b>        |
| <input type="checkbox"/> <b>Corporate Outreach</b>            | <input type="checkbox"/> <b>International Programs</b>          |
| <input type="checkbox"/> <b>Small Business Assistance</b>     | <input type="checkbox"/> <b>Retail Attraction and Retention</b> |
| <input type="checkbox"/> <b>Loan Programs</b>                 |   |

## **Performance and Resource Overview**

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**T**he Office of Economic Development (OED) manages a comprehensive program designed to strengthen the economy of San José. Specific goals include increasing resources for businesses, expanding the City's tax base and increasing corporate locations in San José. The Office is responsible for providing and leveraging services for small businesses and for assisting in the retention, expansion and attraction of business. Specific targets encompass a range of diverse businesses including corporations, retailers, industrial suppliers/services and manufacturers. Highlights of the Office's programs are listed below.

### **Economic Development Strategy**

On an ongoing basis, OED provides information and perspective about the San José/Silicon Valley economy for City decision makers, including the Mayor, Council, and Executive/Senior Staff. The Office also provides economic information to the City's economic development partners and the community at large.

In 2003-2004, the Office led the development of an economic strategy to guide City policy, investments, and partnerships over the next five years. The strategy established an achievable vision of how San José can excel economically, and key actions required by the City and its partners (private, public, non-profit) to achieve the vision. San José cannot continue to be a great community without a strong, resilient economy. The San José/Silicon Valley region has exceptional rates of productivity and a highly educated workforce, but faces aggressive competition from other communities in the Bay Area, nationally, and globally.

The new strategy provides a broad vision of the city's economic future and recommends 15 initiatives that build on San José's strengths. The vision stresses the reinforcement of San José's identity as the Capital of Silicon Valley through the savvy use of technology and enhancement of

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## Performance and Resource Overview (Cont'd.)

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### Economic Development Strategy (Cont'd.)

its entrepreneurial environment. San José's role as a creative community and global business gateway will be an important element in positioning San José as the world's most livable big city providing opportunities for all residents.

In implementing the five-year strategy, the City established four initial priorities:

- **Develop Strategic Partnerships with San José State and Other Universities to Drive Innovation and Economic Impact (ED3).** The launch of the MLK Library demonstrated the power of City-University collaboration to drive economic impact and livability improvements, and the City and SJSU are now identifying other priority areas for collaboration.
- **Evolve and Position Downtown as a Unique Creative and Cultural Center of Silicon Valley (ED4).** Signature downtown events such as the San José Grand Prix, eBay Live and the ZeroOne International Arts Festival (2006) continue to build San José's regional, national and international recognition. The expansion of downtown housing reinforces the area's ability to provide a distinct urban character for the development of a larger creative community.
- **Support Start-Up and Growth of Local Businesses, Small and Large, in Technology as well as Non-technology Fields (ED5).** Continued efforts to retain and develop new resources for expanding businesses such as incubators, technical assistance centers and access to capital will encourage a faster economic recovery.
- **Diversify San José's Economic Base and Preserve/Create Middle-Income Jobs (ED8).** Land use and economic development policies to encourage a wide variety of industries will support greater resilience in the local economy.

The addition of four temporary positions, funded by a grant, is proposed to address the above economic development initiatives. It is believed that these positions will generate additional revenue to justify their continuation on a permanent basis. Recommendations on continuing these positions will be made at the end of the next fiscal year. New performance measures for these and other economic strategy initiatives will be brought forward in the coming fiscal year where needed.

### Corporate Outreach

Businesses seeking to locate or expand in San José often contact the City through the Office of Economic Development. OED staff works with other City departments to make the expansion or development process as smooth as possible for the company. The response typically requires researching potential sites, providing information or coordinating and facilitating meetings.

OED meets with companies, including significant and growing job/revenue-generators, on a proactive basis to get their views on the City's strategy and initiatives and to identify areas requiring City action. As part of the Economic Strategy Process, OED met individually with senior executives from 50 key companies. These efforts are complemented by a Citywide effort, the Business

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## **Performance and Resource Overview (Cont'd.)**

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### **Corporate Outreach (Cont'd.)**

Appreciation Initiative, in which Department Directors and other account managers visit key companies to promote mutual understanding and early problem solving.

In 2004-2005, an estimated 6,000 jobs will be created or retained by assisted companies and \$2 million in additional tax revenues generated due to OED actions to promote or assist businesses. Additional staff proposed in the budget are expected to significantly increase the City's capacity to generate new jobs and additional revenue for City services. The Special Tenant Improvement Program has been a particularly valuable tool in encouraging the early occupation of vacant industrial and R&D space as well as commercial office space in downtown San José.

### **Small Business Assistance and Loan Programs**

In addition to efforts to encourage corporate expansion and attraction, OED plays a role in stimulating the growth of small businesses. Efforts in this area range from business fairs, such as the annual Money Talks event, to financial support of local chambers of commerce and business loan programs.

The City has contracts with six small business chambers of commerce to provide activities of benefit to San José small businesses. City funding provides business owners of underserved communities with direct chamber support and alternative avenues for finding out about City and other assistance services. These contracts encourage direct technical assistance, workshops, networking and other company fostering activities as well as referrals to the Workforce Investment Network and Enterprise Zone programs for employee recruitment and hiring tax credits.

The Mayor's March 2005 Budget Message recommended that funding to community based organizations be reduced by the same average percentage reduction as approved for non-public safety departments. For the six chambers of commerce and Joint Venture: Silicon Valley Network organization, this results in a reduction of \$23,379.

The City will release an RFP for the coming year to consolidate the provision of small business services to a single organization or collaborative venture to align them with the Economic Development Strategy in the most efficient and effective manner. The City has been able to encourage significant increases in jobs referred and created by the Chambers but the cost to the City for each job created has increased significantly. It is expected that the economies of scale will help maintain the City funded services to communities most needing supplemental assistance despite continued reductions in funding.

The San José Silicon Valley Chamber of Commerce has also provided assistance in establishing the Almaden Valley Business Association, Camden Business Association and reinvigorating the Winchester Business Association. The new organizations are largely independent groups discussing local business concerns and serving as a central point of contact for City outreach.

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**Core Service: Business/Job Attraction, Retention, Expansion and Creation**  
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## **Performance and Resource Overview (Cont'd.)**

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### **Small Business Assistance and Loan Programs (Cont'd.)**

Two loan programs administered by OED are the Revolving Loan Fund and the Development Enhancement Special Fund (DESF). The Revolving Loan Fund (RLF) provides funds to small businesses in the amount of \$10,000 to \$40,000 for working capital, equipment and other purposes. The DESF provides loan guarantees and direct loans to businesses in the amount of \$40,000 to \$300,000 for business expansion, equipment, working capital and other normal business uses. These programs provide loans to businesses that have sound business practices, but due to being a start-up or past credit history, are normally unable to obtain private sector financing.

In 2004-2005, approximately \$1 million in funds were made available to small businesses. Total loans made by the RLF decreased by 26% due to limited funding. \$275,000 in new Community Development Block Grant funding is anticipated in 2005-2006 to allow future growth. Also, the Redevelopment Agency will be transferring money to restart the Small Business Loan Program, which was not active in 2004-2005, to fund loans to downtown businesses.

### **San José Enterprise Zone**

Businesses within the 18 square-mile Enterprise Zone in central San José are eligible for State tax credits and incentives through December 2006. In addition to hiring tax credits, benefits of locating in the Enterprise Zone include: sales tax credits on the purchase or lease of manufacturing and communications equipment; accelerated depreciation; net operating loss carryover as well as a net interest deduction for lenders.

Through the increased outreach and marketing efforts of the Office of Economic Development and partners, an estimated 1,900 hiring tax credits will be issued to businesses within the Enterprise Zone during 2004-2005. While less than the target of 2,000, this maintains the record levels of vouchers issued to San José businesses the previous year, and with the anticipated employment growth the goal of 2,000 in 2005-2006 should be achievable. Enterprise Zone companies can receive tax credits for hiring individuals from one of 13 eligibility categories. The hiring tax credit can lower the company's state tax liability per eligible employee by as much as \$31,590 over a five-year period.

The Enterprise Zone benefits are scheduled to expire in December 2006. Staff is exploring alternatives to the State benefits as well as the potential for an additional extension.

### **International Programs**

International business activity continues to be strong with OED hosting or facilitating nearly 40 delegations representing nations from throughout the world. This reduced number represents better targeting to ensure that hosted delegations have the potential for benefits to the City of San José.

# **Economic and Neighborhood Development CSA**

**Core Service: Business/Job Attraction, Retention, Expansion and Creation**  
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## **Performance and Resource Overview (Cont'd.)**

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### **International Programs (Cont'd.)**

Foreign delegations are often exploring the possibility of establishing a business in the region and hosting them is an effective way to make sure they consider San José as their final location. San José's innovative government has also attracted international attention and OED often organizes meetings with the Mayor, council offices and other city departments.

The Office of Economic Development is responsible for the Sister Cities Program and has worked this year to restructure the program to increase participation and visibility. OED organized a sister city visit to Dublin, Ireland in 2004 and hosted visits by officials from San José's sister cities of Okayama, Japan and Dublin.

The City's Foreign Trade Zone program, a federal designation San José received in 1974, provides advantages to businesses importing materials or products by delaying, reducing or even eliminating importation taxes. Activity within San José's General Purpose Zone, which is operated by San José Distribution Services, increased to over \$21 million in 2003-2004, the most recent year for which data is available. In the past year, OED has worked with a private company on that is seeking to obtain Foreign Trade Subzone designation from the federal government.

The Office of Economic Development organized the Mayor's 2005 Economic Development Mission to Finland and England. Meetings were held with key business, government, transportation and university officials in Espoo/Helsinki, Finland and Cambridge, England.

The City's Economic Development Strategy includes an initiative to develop strategic economic partnerships with a select number of innovation regions globally. An Economic Partnership Agreement with Cambridgeshire/East of England was signed by the Mayor in 2005. The agreement pledges the City and the Cambridgeshire Region of England to work together to forge stronger ties in trade and investment, develop aviation linkages, and collaborate in areas of education and government. OED will work in the next year to develop Economic Partnership Agreements with Espoo, Finland and Munich, Germany.

### **Retail Attraction and Retention**

The Office of Economic Development also works to encourage retail development to increase the products and services available to residents and enhance their quality of life. For instance, Santana Row, Oakridge Mall, Eastridge Mall, Westgate Mall and the Cousins development have all completed improvements, or are undergoing or considering improvements, facilitated by OED over the past year. Other significant retailers are opening or pursuing new sites in San José including Kohl's, Walmart, Lowes, and Target. Auto dealerships undergoing assisted improvements include Beshoff Motors, Courtesy Chevrolet, Smythe European, Behel/Porsche/Audi/Honda Stevens Creek and Toyota Stevens Creek.

# Economic and Neighborhood Development CSA

Core Service: Business/Job Attraction, Retention, Expansion and Creation  
*City Manager – Office of Economic Development*







## Performance and Resource Overview (Cont'd.)

### Retail Attraction and Retention (Cont'd.)

The additional staff proposed in this budget are expected to significantly increase the City's capacity to generate new jobs and additional revenue for City services by assisting in the effort to encourage retail development in San José. The number of jobs created or retained by assisted companies is expected to increase.

### Performance Measure Development

The cost measure and activity measure that report the account of additional tax revenue generated by OED actions have been revised to clarify that both sales tax and use tax increases are included.

Business/Job Attraction, Retention Expansion and Creation Performance Summary		2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
	Number of jobs created or retained by assisted companies	5,400	3,000	6,000	10,500
	Number of jobs created or retained by chambers of commerce assisted companies (Operational Measure)	50	100	80	100
	Percent increase in dollars lent through the Revolving Loan Program (RLF) (Operational Measure)	32%	0%	26%	11%
	Ratio of Sales/Use tax revenues generated by assisted companies per OED expenditure	19:1*	21:1*	25:1*	15:1*
	Percentage of requests for assistance responded to within one work day	96%	90%	96%	92%
	Percentage of customers rating quality of assistance provided as good or excellent	91%	95%	85%	95%

\* Reflects Sales Tax Only

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Core Service: Business/Job Attraction, Retention, Expansion and Creation  
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## Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
Sales/Use Tax revenues generated by OED actions	\$2.0M	\$2.0M	\$4.0M	\$5.8M
\$'s made available to San José businesses	\$1.4M	\$1.5M	\$1M	\$1.1M
Number of companies receiving permitting assistance	52	50	53	75
Number of delegations/groups hosted/facilitated	56	50	38	40
Number of job placements resulting from Enterprise Zone vouchers	1,850	2,000	1,900	2,000

Business/Job Attraction, Retention, Expansion and Creation Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	182,286	\$ 1,130,849	1,086,320	\$ 1,473,894	30.3%
Non-Personal/Equipment	-	576,582	519,296	608,343	5.5%
<b>Total</b>	<b>\$ 182,286</b>	<b>\$ 1,707,431</b>	<b>\$ 1,605,616</b>	<b>\$ 2,082,237</b>	<b>22.0%</b>
<b>Authorized Positions</b>	<b>10.40</b>	<b>9.30</b>	<b>8.80</b>	<b>12.80</b>	<b>37.6%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Economic and Neighborhood Development CSA

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## Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>STRONG ECONOMIC BASE</b>			
<b>1. Economic Development Program Augmentation</b>	<b>4.00</b>	<b>500,000</b>	<b>500,000</b>
<p>This action provides funding for a temporary Analyst and three temporary Economic Development Officer positions for one year funded using one-time grant monies in 2005-2006. This augmented implementation of the San José Economic Development Strategy beyond current levels is intended to increase revenue and jobs. Increased revenue generation is a key element to the City's efforts to address its ongoing challenge of insufficient revenue relative to rising costs. This action provides the necessary resources to successfully implement the Strategy through which these revenue enhancements can be achieved. The continuation of funding for these positions would be dependant on demonstrated revenue generation. (Ongoing costs: \$0)</p>			
<b>Performance Results:</b>			
<b>Quality</b> Increased revenue and jobs from pursuing San José Economic Development Strategy.			
<b>2. Community Based Organizations Funding Reduction</b>		<b>(23,379)</b>	<b>(23,379)</b>
<p>This action reduces funding for community based organizations by the same average percentage reduction as approved for non-public safety city service areas. For the Office of Economic Development, (OED), this action reflects a 8.2% reduction for the six chambers of commerce and Joint Venture Silicon Valley, resulting in total savings of \$23,379 in this core service. OED will work with these organizations to minimize service delivery impacts. (Ongoing savings: \$23,379)</p>			
<b>Performance Results:</b>			
<b>Quality</b> Customer service level impacts will be minimized through additional efficiencies and targeted reductions. <b>Cost</b> This funding reduction is consistent with the average percentage reduction for non-public safety city service areas.			
<b>3. Small Business Ambassador Program</b>		<b>0</b>	<b>0</b>
<p>This action would shift funding for an Economic Development Officer from Agency and General Fund sources to Building Permit Fees to provide development facilitation for small businesses. These services will be offered in conjunction with the Building Division's Small Business Ambassador Program to assist them with expansion plans requiring interaction with the City's development processes. Staff will be reallocated from loan program administration to complete this function. (Ongoing costs: \$0)</p>			
<b>Performance Results:</b>			
No change to service levels will result from this action.			
<b>2005-2006 Proposed Core Service Changes Total</b>	<b>4.00</b>	<b>476,621</b>	<b>476,621</b>



# Economic and Neighborhood Development CSA

## Core Service: Community Code Enforcement

*Planning, Building and Code Enforcement Department*

### Core Service Purpose

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**E**nforce and promote compliance with local and State codes to ensure a safe, healthy and attractive community.

#### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Community Outreach</b>       | <input type="checkbox"/> <b>Proactive Code Enforcement</b> |
| <input type="checkbox"/> <b>General Code Enforcement</b> | <input type="checkbox"/> <b>Vehicle Abatement</b>          |
| <input type="checkbox"/> <b>Housing Code Enforcement</b> |  |

### Performance and Resource Overview

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**T**he desired outcomes for this core service are decent, safe, and sanitary housing and neighborhoods; the prevention of property damage; and the preservation of the condition of the City's housing stock. To further these goals, the Code Enforcement Division, working in partnership with customers, emphasizes education and outreach as a means to achieve community support and compliance. Enforcement efforts are utilized when voluntary compliance is not achieved. The Community Code Enforcement core service contributes to all of the Economic and Neighborhood Development City Service Area outcomes, but most directly to the *Safe, Healthy, Attractive, and Vital Community* outcome.

#### Resource Changes

To address the projected General Fund shortfall, the deletion of one Code Enforcement Supervisor position, currently assigned to one of the five Code Enforcement Service Areas is proposed in Tier One. A General Fund Code Enforcement Inspector is proposed for deletion in Tier Two. In addition, a funding shift is proposed for a portion of Code Enforcement administrative staff, and one half each of two Code Enforcement Supervisors, to Multiple Housing Occupancy and Solid Waste Enforcement fees to appropriately align administrative and supervisory funding with that of front line staffing. These funding shifts can be made without fee increases, and maintain the 100% cost recovery mandated by City Council policy for fee programs.

Because Code Enforcement's Healthy Neighborhoods Venture Fund (HNVF) budget for 2004-2005 was reduced below the level needed to support a full Code Enforcement Inspector position, and because the funds cannot be used for overtime, the Code Enforcement Division did not apply for 2005-2006 HNVF grant money for proactive compliance enforcement of smoking regulations. The net result of the proposed Tier One and Two changes would be the reduction of one Code Enforcement Supervisor position and 1.8 Code Enforcement Inspector positions in 2005-2006.

# Economic and Neighborhood Development CSA

## Core Service: Community Code Enforcement

*Planning, Building and Code Enforcement Department*

### Performance and Resource Overview (Cont'd.)

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#### Resource Changes (Cont'd.)

It should be noted that 91% of Code Enforcement's current inspection staff is supported by special funding sources (e.g., Multiple Housing, Solid Waste, CDBG, Redevelopment Agency). The number of General Fund Code Enforcement Inspector positions, that do not have the area or service restrictions associated with the special funding sources, is now four – down from 11 in 2000-2001. If the Inspector proposed for deletion in Tier Two is taken, only three General Fund Inspectors will remain. The cumulative reductions in the General Code Program have reduced inspection services in neighborhoods that are not located in CDBG eligible census tracts or in SNI areas. Restrictions in the deployment of inspection services, based on funding sources, will impact approximately two-thirds of the City that are not located in these specially funded areas.

The Code Enforcement Division continues to focus inspection services on health and safety issues. The elimination of seven Code Enforcement Inspector positions over the past four years has necessitated the utilization of alternative enforcement techniques, such as warning letters, to address violations of the Zoning and Community Preservation Ordinances. The Code Enforcement Division no longer provides initial inspection responses to complaints involving abandoned shopping carts, graffiti, early yard waste setout, lawn parking, land use violations, or similar issues that do not pose an immediate threat to public health and safety.

#### Community Outreach/Neighborhood Empowerment

Code Enforcement recognizes the importance of utilizing the Strong Neighborhood's Neighborhood Advisory Committees (NACs) and established Neighborhood Associations in researching and responding to identified neighborhood priorities, and remains committed in reaching out to these organizations in forging empowerment opportunities. In addition, the Code Enforcement Division will continue to seek Federal and State grants to enhance current service delivery as suggested by the Mayor during the 2005 State of the City address.

The Code Enforcement Division is identifying and alerting low-income residents who are eligible to receive funds from a \$25,000 Santa Clara Valley Water District grant to assist them in complying with the minimum landscape provisions of the Community Preservation Ordinance. The grant provides up to \$1,000 per residence for the purchase of low water consumption plants and ground cover materials. To leverage this opportunity, the Code Enforcement Division has solicited community volunteers including youth groups to provide labor for installation. A recent example of this was highlighted in the Mercury News when the San José Youth Corp provided the labor to install low-maintenance landscaping for an 82 year old, disabled World War II veteran.

In addition, the Vehicle Spotter Program (VSP) has been expanded city-wide. This program was developed to engage neighborhood residents in an effort to leverage available vehicle abatement resources. The Vehicle Spotter reports alleged abandoned vehicles in their neighborhood. Within

# Economic and Neighborhood Development CSA

## Core Service: Community Code Enforcement

*Planning, Building and Code Enforcement Department*

### Performance and Resource Overview (Cont'd.)

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#### Community Outreach/Neighborhood Empowerment (Cont'd.)

one to two days, a Vehicle Abatement Officer marks the identified vehicle. The Vehicle Spotter reports, after three days, those vehicles that have not been moved. The Officer reinspects the area within one day and either issues a citation or tows the subject vehicle. There are currently 70 volunteers in this program.

#### General Code Enforcement/Housing Code Enforcement

In light of the economic downturn and the constrained budget outlook, resources have been redirected to focus on life safety complaints and conditions. The Code Enforcement Division remains committed to responding to health and safety complaints within 24-72 hours. These requests for service include substandard housing conditions, sewage overflows, inadequate fencing around swimming pools, unpermitted building construction and other similar conditions that pose an imminent threat to the health or safety of residents, tenants, and employees.

Historically, the vast majority of complaints involve conditions that impact the quality of life in neighborhoods or commercial business districts, but do not represent an imminent threat to public health or safety. These complaints include illegal signage, lack of landscaping, auto repair in residential neighborhoods and other similar nuisance conditions.

While General Code Enforcement Program resources have been severely reduced, there has been no reduction in requests for service. The reduction in staff has resulted in the use of alternative enforcement techniques. Complaints which have been deemed a low priority are no longer receiving field inspection services, rather warning letters are being sent to the alleged violator advising them of the complaint and the requisite corrective action. In addition, letters are being sent to the complainant advising them that a warning letter has been sent to the alleged violator, informing the violator of the complaint, the corrective action(s) required, and the compliance date. The letter requests that the complaining party call back after the compliance date to confirm the violation has been corrected. If the complainant does not call back, it is assumed that the violation has been resolved and the case is closed. On cases wherein the complainant advises the violation has not been corrected, a field inspection is conducted as resources become available for non-priority responses.

The Multiple Housing Occupancy Program remains 100% fee supported. This program has completed the third year of its six-year cycle of routine inspections for all apartments, hotels, motels and guesthouses. In addition, the inspectors respond to housing complaints within 24-72 hours.

The deletion of the Code Enforcement Supervisor position will increase the span of control between Supervisors and Inspectors from a ratio of 1:8.8 to 1:10. In addition to supervising Code Enforcement Inspectors in five Service Areas, Supervisors are responsible for managing specific programs, e.g., Multiple Housing, LEA, SNI, CDBG and General Code. The increasing span of

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## **Core Service: Community Code Enforcement**

*Planning, Building and Code Enforcement Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **General Code Enforcement/Housing Code Enforcement (Cont'd.)**

control has resulted in reduced services in such areas as outreach to neighborhood associations and has created challenges for ensuring that the program performance targets are met.

#### **Proactive Code Enforcement**

The Code Enforcement “Driveway Team”, which provides proactive code enforcement in SNI areas, will continue to receive funding from the Redevelopment Agency in 2005-2006. The Team was created to identify blight conditions in the Project Areas. During 2004-2005, the Team will complete neighborhood sweeps in all of the active SNI areas. These sweeps are estimated to encompass 26,000 parcels and will result in the alleviation blight in 3,290 of these parcels. An estimated 9% increase in the number of parcels inspected between 2003-2004 and 2004-2005 is a reflection of larger SNI areas being targeted for proactive inspections in 2004-2005. In addition to identifying and addressing blight conditions, the Team has attended and actively participated in the Neighborhood Advisory Committee meetings, which enables the Team to stay focused on the priorities and needs of the neighborhood as they change. Over the long term, proactive code enforcement will help improve communication with the community, reduce violations, improve neighborhood appearance, and tailor enforcement services to the needs of the community.

#### **Vehicle Abatement**

A pilot project is currently underway that has relocated the Vehicle Abatement Unit to the Department of Transportation (DOT) to explore potential efficiencies that could be obtained by combining the Unit with DOT’s Parking Compliance Unit. A report on the pilot project and a recommendation will be brought to the City Council for consideration in June.

#### **Performance Measurement Development**









The two cost measures are proposed for revision to capture the relative cost purchase of proactive resolution (such as through the “Driveway Team”) versus complaint-based enforcement. The text of the measure that reports residents perception of their neighborhood’s physical condition is revised to align more closely to the language in the biannual Community Survey questions. Finally, additional breakout is provided on the enforcement tools by which cases are resolved.


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## Core Service: Community Code Enforcement

*Planning, Building and Code Enforcement Department*

### Performance and Resource Overview (Cont'd.)

Community Code Enforcement Performance Summary	2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 % of neighborhoods in "good" or better condition, based on a city-wide survey	N/A*	67%*	67%*	70%*
 % of violations resolved through voluntary compliance, based on complexity of case types	89%	90%	85%	85%
 Cost per case for proactive enforcement		New Measure		TBD
 Cost per case for complaint-based enforcement		New Measure		TBD
 % of violations resolved within estimated processing standards, based on type and complexity of violations	68%	60%	58%	55%
 % annual fee-based inspections completed on schedule, including multi-year programs	100%	100%	92%	100%
 % of residents who feel their neighborhood is in the same or better condition compared to previous year (annual Code Enforcement survey)	N/A**	83%	84%***	83%
 % of customers who feel they received courteous treatment and timely service from their interaction with Code Enforcement staff	N/A**	73%	83%***	85%

Selected Operational Measure	2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 % of abandoned cars in voluntary compliance by staff's second visit	82%	85%	69%	80%

\* Data for this measure comes from the 2003 Community Survey. The next survey will be conducted in Fall 2005.

\*\* No survey completed in 2003-2004.

\*\*\* Data for this measure comes from the March 2005 Code Enforcement Customer Service Survey.

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## Core Service: Community Code Enforcement

*Planning, Building and Code Enforcement Department*

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
Staff hours devoted to outreach/education Prevention	5,200	5,200	5,200	5,200
Number of multiple housing dwelling units proactively inspected	10,621	12,000	11,500	11,500
Number of proactive parcel inspections (Driveway Team)	23,836	20,000	26,000	25,000
Number of proactive violations identified and resolved (Driveway Team)	3,436	2,750	2,450	2,750
Neighborhood Clean Ups	50	50	50	50
Project Crackdown	3	4	0	0
Public Right-Of-Way Clean Ups	21	20	20	20
Total Number of Clean Ups	74	74	70	70
Number of proactive cases (Driveway Team):				
Opened	3,056	2,750	2,940	2,200
Resolved	3,079	2,750	3,290	2,200
General Code Compliance Cases:				
Opened	10,770	9,000	10,000	9,000
Resolved	9,606	7,000	10,300	9,000
Vehicle Abatement Complaint Cases:				
Opened	28,016	28,000	24,750	TBD*
Resolved	27,701	27,700	25,200	TBD*
Multiple Housing Complaint Cases:				
Opened	444	500	500	500
Resolved	426	500	670	500
% of Violations Resolved:				
Warning	40%	40%	48%	48%
Citation	17%	17%	10%	10%
Compliance Order	42%	42%	41%	41%
Appeals Hearing Board/Litigation	1%	1%	1%	1%

\* To be determined pending the completion of the DOT Vehicle Abatement pilot.

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## Core Service: Community Code Enforcement

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### Performance and Resource Overview (Cont'd.)

Community Code Enforcement Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 7,692,193	\$ 7,979,747	\$ 8,013,037	\$ 7,995,092	0.2%
Non-Personal/Equipment	610,550	853,729	671,319	673,819	(21.1%)
<b>Total</b>	<b>\$ 8,302,743</b>	<b>\$ 8,833,476</b>	<b>\$ 8,684,356</b>	<b>\$ 8,668,911</b>	<b>(1.9%)</b>
<b>Authorized Positions</b>	<b>89.20</b>	<b>89.20</b>	<b>88.25</b>	<b>88.25</b>	<b>(1.1%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY</b>			
<b>1. Code Enforcement Fee Program</b>	<b>0.00</b>	<b>(15,445)</b>	<b>(15,445)</b>
This action eliminates a vacant Code Enforcement Supervisor position, adds a Network Technician and reallocates portions of six positions (2.43 positions) from the General Fund to the Multiple Housing and Solid Waste Fee Programs (Deputy Director, 3.0 Code Enforcement Supervisors, Staff Technician and Secretary). These positions support the administrative, management and supervisory functions of the fee programs and more accurately reflect department resources to funding sources. The permanent elimination of the Supervisor position would require a reorganization of remaining resources to provide adequate supervision. The Network Technician would provide desktop support to the fee programs. (Ongoing savings: \$15,445)			
<b>Performance Results:</b>			
<b>Quality/Customer Satisfaction</b> Prevents further deterioration of current service levels and would result in no fee increases. <b>Cycle Time</b> The Network Technician position would allow staff to respond to service requests in a timely manner and would minimize the impact of unplanned service interruptions.			
<b>2005-2006 Proposed Core Service Changes Total</b>	<b>0.00</b>	<b>(15,445)</b>	<b>(15,445)</b>

# Economic and Neighborhood Development CSA

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## Core Service: Convention and Cultural Facilities

*Team San José, Contractor*

### Core Service Purpose

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**T**o ensure that San José's Convention Center and Cultural Facilities are effectively managed to reduce costs, improve the local economy, and add value to customers, residents, workers, and businesses within the City of San José.

#### Key Operational Services:

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Sales and Marketing</b>        | <input type="checkbox"/> <b>Facility and Infrastructure</b> |
| <input type="checkbox"/> <b>Event Services</b>             | <input type="checkbox"/> <b>Maintenance</b>                 |
| <input type="checkbox"/> <b>Technical Services</b>         | <input type="checkbox"/> <b>HVAC, Electrical, and</b>       |
| <input type="checkbox"/> <b>Food and Beverage Services</b> | <input type="checkbox"/> <b>Cogeneration Services</b>       |

### Performance and Resource Overview

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**T**he Convention Center and Cultural facilities are major drivers to the local downtown economy. Convention, trade show delegates and visitors fuel the economy by bringing money to local hotels, restaurants, arts groups, transportation, and other hospitality related businesses. Countless jobs from this industry represent people who live and work in this community. Team San José understands and is committed to supporting these multiple financial "bottom lines" that benefit local merchants, workers, arts groups, City of San José and the residents of San José.

Following a competitive process, the City Council selected Team San José (TSJ) to manage and operate the Convention Center and Cultural Facilities beginning in 2004-2005. Team San José is a private, non-profit corporation created specifically for this purpose. Its innovative and flexible business model is a unique public – private community partnership.

In collaboration with the San José Convention and Visitors Bureau (CVB), TSJ consolidated all sales and marketing efforts for the facilities into a more efficient and effective model aligned against every market San José has competition. Team San José has also entered into a partnership with the San José Sharks (San José Arena Management) to bring 10 new concerts to the Civic Auditorium beginning February 2005 with 30 – 40 concerts in each of the following four years.

Long-term, TSJ is working to introduce new revenue initiatives, customer service enhancements, and improved operational systems, along with a better understanding of the revenue potential of the facilities during specific market environments. As these improvements take hold, it is anticipated that a shift in making San José a more competitive choice for conventions and events will occur.



# Economic and Neighborhood Development CSA

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## Core Service: Convention and Cultural Facilities

*Team San José, Contractor*

### **Performance and Resource Overview (Cont'd.)**

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The California Theatre opened in September 2004. The California is a major asset to the City's cultural facilities. Initial findings indicate that it is a very costly facility to operate and maintain. Due to the historical value of the facility, it is a labor-intensive facility and maintaining its grandeur will result in higher operational costs.

In addition, South Hall, a temporary expansion to the Convention Center, is expected to open in June 2005 to its first event, eBay Live. The additional space will accommodate larger shows that would normally choose larger venues or leave San José for another location. Estimated operating costs for South Hall are currently being developed. In 2005-2006, South Hall is expected to deliver over \$50 million in economic impact to the local economy.

2004-2005 is projected to end with a 23% increase in the number of events over the previous fiscal year. Though there is more activity at the facilities, it has not resulted in the projected mix of business types and revenue that was projected. As a result, revenue projections for 2004-2005 are estimated to be \$1.4 million or about 16% below the forecast amount included in TSJ's contract. Currently, the convention market is a competitive business environment, giving customers greater leverage in negotiating rates and location choice. Greater lead-time is necessary to book national and state association events, which bring more rental and ancillary revenue. Discounts need to be given in order to remain competitive and book business. This is a prevalent industry practice as customers have more options.





Expenses have been reduced since TSJ began operating the facilities. During 2004-2005 Team San José's expenditures are estimated to end the year approximately 12% below 2003-2004 actuals. New measures continue to be implemented to help stabilize and introduce new revenue streams in 2004-2005. Revenue enhancement measures include the selection of a preferred A/V vendor with the potential to yield \$200,000 to \$300,000 in annual revenue. In light of the experience gained during the current year, the revenue projection for 2005-2006 have been reduced by \$1.7 million or about 17% below the original projection figures in the contract but \$0.9 million over the 2004-2005 estimated levels.

# Economic and Neighborhood Development CSA

## Core Service: Convention and Cultural Facilities

*Team San José, Contractor*

### Performance and Resource Overview (Cont'd.)

Convention Facilities Performance Summary	2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 Gross Revenue	N/A	\$8.70 M	\$7.33 M	\$8.25 M
 Net Profit (Loss)	N/A	\$3.75 M	\$4.51 M	\$4.36 M
 Economic Impact				
Attendee Days By Type of Visitor:				
- Local/Social	N/A	507,000	676,081	515,100
- Out of Town	N/A	60,200	70,319	87,300
- Exhibitors	N/A	10,000	11,461	18,500
 % of customers rating overall service good to excellent based on satisfaction with facilities and services provided	N/A	81%	N/A*	83%

\* New questions will be developed and incorporated into existing survey to provide baseline data for this measure.

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast*
Number of events at Convention Facilities	370	372	455	500
Attendance at Convention Facilities	N/A	567,200	746,400	602,400
Number of Convention Delegates	N/A	10,000	11,461	18,500
Delegate Expenditures	N/A	73,359,313	90,231,956	99,255,152
Total Tax Benefit (\$)	(Measure to be developed)			
Operating Revenues (\$)	N/A	8,698,000	7,332,000	8,250,000
Operating Expenses (\$)	N/A	12,443,612	11,837,508	12,611,536
Overall Occupancy Rate (%)**	57%	59%	59%	66%

\* 2005-2006 budget is currently being reviewed and revised to accurately reflect current business and market trends.

\*\* Team San José evaluated the existing booking calendar and made more inventory available for potential customers by releasing space that was being held in excess of what customers reserved. The new Event Business Management Software (EBMS) system will allow for better space and inventory management.

# Economic and Neighborhood Development CSA

## Core Service: Convention and Cultural Facilities

*Team San José, Contractor*

### Performance and Resource Overview (Cont'd.)

Convention and Cultural Facilities Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 6,509,163	\$ 5,965,322	\$ 6,514,289	\$ 6,514,289	9.2%
Non-Personal/Equipment	4,841,947	3,810,584	5,117,047	5,117,047	34.3%
<b>Total</b>	<b>\$ 11,351,110</b>	<b>\$ 9,775,906</b>	<b>\$ 11,631,336</b>	<b>\$ 11,631,336</b>	<b>19.0%</b>
<b>Authorized Positions</b>	<b>87.21</b>	<b>73.36</b>	<b>84.75</b>	<b>84.75</b>	<b>15.5%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)
NONE		

# Economic and Neighborhood Development CSA

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**Core Service: Development Plan Review & Building Construction Inspection**  
*Planning, Building and Code Enforcement Department*

## **Core Service Purpose**

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**M**anage and review development and construction applications to allow issuance of permits in compliance with applicable codes and policies.

### **Key Operational Services:**

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Review of Land Use, Rezoning, Development Applications &amp; Plans for Compliance with Zoning Code, Standards, Policies and Guidelines</b> | <input type="checkbox"/> <b>Environmental Review</b>        |
| <input type="checkbox"/> <b>Review of Construction Plans and Calculations for Compliance with Building Code Standards, Policies and Guidelines</b>                     | <input type="checkbox"/> <b>Construction Inspection</b>     |
|  | <input type="checkbox"/> <b>Permit Issuance</b>             |
|  | <input type="checkbox"/> <b>Public Information Services</b> |

## **Performance and Resource Overview**

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**T**he desired outcomes for this core service are to facilitate issuance of permits and compliance with codes, policies, guidelines and standards and, through these efforts, to ensure safe, healthy and attractive development. The Core Service's continued challenge is to provide planning and building services that allow development to be planned, approved and inspected at a pace consistent with the economic realities of the competitive development environment.

### **Development Activity**

Development activity, including Planning permit applications, Building permits, plan reviews, and inspection activity, has remained relatively constant since the tremendous development boom ended in 2000-2001. There has, however, been a significant shift away from commercial and industrial construction activity (where valuations are higher relative to corresponding service demand) toward residential construction activity. This change resulted in declining construction valuations while service demand continued to grow slightly.

### **Cost Recovery and Staffing**

The adoption of the 2004-2005 Operating Budget completed a three-year phase-in of fee increases to bring the Building and Planning Fee programs to 99% cost recovery. The fee increase plan was developed in accordance with the Council policy which states that development services should be 100% cost recovery and recognized the increased need for the City to maintain service level competitiveness in an economy with more limited development opportunities. The 2004-2005 fee

# Economic and Neighborhood Development CSA

## Core Service: Development Plan Review & Building Construction Inspection *Planning, Building and Code Enforcement Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Cost Recovery and Staffing (Cont'd.)**

increases were supported by most local development industry groups with the condition that the City's development partners try to operate within the existing fee structure for 2005-2006. With the exception of a Fire Department hourly rate adjustment that was deferred last year, no development service fee increases are proposed for 2005-2006. While there will be cost increases in 2005-2006, Building is forecasting sufficient revenue to defer fee increases for one year as requested by the development community. Funds from the Planning Fee Reserve would be used to bridge the cost/revenue gap in that program for one year.

It should be noted that the overhead rates for the Planning and Building Fee Programs have been relatively low in recent years, in part because the Programs do not currently pay for space in a fully paid for City Hall facility. A rent component for space in the new City Hall, the cost of a potential modest pay increase for staff, and the need to evenly allocate the costs for ongoing asset acquisition and replacement (vehicles and computers) are among the increased costs that will be absorbed in 2005-2006, but will need to be addressed through service or fee adjustments beginning in 2006-2007. Staff is hoping to achieve some cost savings through co-location efficiencies in the new City Hall to mitigate the anticipated cost/revenue gap.

For the Planning Fee Program, the 2005-2006 Proposed Operating Budget, includes a number of cost reduction measures: the deletion of a Senior Planner and a part-time Planner position, a \$17,000 reduction in Program training funds, an increase in the Program vacancy factor, and a shift of appropriate portions of three Planning positions to Building Fee support. In addition, a 50% reduction in Housing fund support is proposed for the Housing Action Team Senior Planner. The other resulting cost gap would be covered by half of the fee program savings from the aforementioned Senior Planner deletion. These proposed reductions would allow the Program to facilitate some General Fund savings by absorbing the appropriate portions of a General Plan Planner and two administrative support positions. The proposed change package also includes the use of \$265,147 from the Planning Fee reserve to balance the fee program budget and one-time funding from the Storm Sewer Fund for a Planner to review development applications for compliance with new urban runoff control requirements. This position will track the time required to perform this function so review costs can be included in permit fees in future years.

The cost savings from the Building Fee Program's efficiency gains associated with its new fee methodology are being reinvested in customer service. The addition of two engineers, intended to help with enhanced service provision and ensure normal service tracks continue to meet performance targets approved by Council as part of the Annual Report clean-up. The financial health of the Building Fee Program will enable Building fee revenue to cover parts of data management, zoning ordinance, and record retention positions in Planning that provide support to Building operations. Without this support, some or all of these positions would likely be lost to budget cuts. Finally, a part-time Word/Micro Processor Operator is proposed for deletion as technology advancements have made this position expendable.

# **Economic and Neighborhood Development CSA**

**Core Service: Development Plan Review & Building Construction Inspection**  
*Planning, Building and Code Enforcement Department*

## **Performance and Resource Overview (Cont'd.)**

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### **Performance, Efficiency and Service Improvements**

With the completion of the consultant work on the implementation phase of the Integrated Development Tracking System (IDTS), the IDTS Manager position is proposed for deletion with the savings to be invested in acquiring a technical manager for the Imaging system. Making the storage and retrieval of documents easier will provide efficiency improvements for staff and service improvements for customers. In addition, this proposed budget makes the development services Outreach Manager position permanent to continue outreach efforts to the development community, including publication of the City's new "Development News" newsletter.

A new Small Business Center is planned for the new City Hall. Small business owners who are not regular customers of the development process will receive a higher level of attention to help them negotiate the development process. The Small Business Center will be a collaborative effort between the City's development service partners and the Office of Economic Development.

In 2003-2004, development process performance measures continued to show improvements in service and customer satisfaction. While, clearly, there is still room for further improvement, the performance gains indicate staff's efforts have initiated significant movement in the right direction. To continue this momentum, the development service partners raised performance targets for 2004-2005 and continue to look for efficiencies and collaborate on process improvement. While the timeliness of first-cycle Planning comments slipped below 70% in the first quarter of 2004-2005 due to staff turnover, performance rebounded to 94% in the second quarter and is estimated to end this year near 90%. The other measures show performance comparable to or better than last year.

Two of the most crucial factors for customers with development projects are the timeliness and predictability of the development review process. To address the timeliness issue and the Getting Families Back to Work recommendation to "eliminate delays in the development process", the performance targets for all development process cycle time targets except inspection were moved to 100% for 2004-2005. The "next day inspection" target was raised to 85% to account for the fact that inspection demand is cyclical and it is not cost effective to staff for peak demand. If needed, a combination of overtime and retiree help will continue to be used to address peak demand periods and ensure 100% response to inspection requests within 48 hours.

While Council policy and the funding realities facing local government do ultimately require the City to pass on service cost increases to development customers through higher fees, San José's development service providers recognize their obligation to limit costs, seek operational efficiencies, and continuously improve the service provided so that applicants receive good value for their money.

### **Fee Methodology Adjustments**

The methodology shift made by Building at the beginning of 2003-2004 was designed to fix the structural imbalance that existed and allow Building to meet established customer service targets more consistently than in previous years. The changes were the first phase of the implementation of

# Economic and Neighborhood Development CSA

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## Core Service: Development Plan Review & Building Construction Inspection *Planning, Building and Code Enforcement Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Fee Methodology Adjustments (Cont'd.)**

a fee structure based on the time it takes to deliver service. The new methodology has two components: 1) An initial fee assessment based on the average service time invested in the particular product type; and 2) the establishment of a new time tracking methodology limiting service to the amount paid for by the initial fee until additional time is purchased.

The new time tracking methodology has now been implemented across all sectors in Building, but the new initial fee assessment methodology has only been implemented for residential fees. The Building Division and Fire Department are nearing completion of the analysis of commercial and industrial projects. Proposed changes based on this analysis will be presented in the 2005-2006 Fees and Charges Report. These changes, if adopted, would establish a consistent time-based methodology for all Building and Fire fees.

The new methodology changes have generated very positive results. Requests for inspection stops have declined, inspection time per stop has declined, and the percent of inspections requested where the site is ready for inspection has greatly increased. As a result, inspector productivity and efficiency have increased. For the customer, this means City staff are more likely to be able to respond to their request in a timely manner. Building has also experienced an increase in the quality of plans submitted which has resulted in reduced review cycles and less time required per review cycle. Once Building has fully implemented all phases of the new fee methodology across all product types, the fees assessed to deliver service will be more directly tied to the cost of delivering service. This change will provide continued fiscal stability for the future regardless of activity shifts across construction sectors. Staff believes automated service provision options, better educational handouts (to help customer prepare plans for review and work for inspection), and process improvements (integration of staff to deliver one stop processing) can help to contain and even reduce costs in some areas.






#### **Performance Measure Development**

The only proposed performance measures changes are minor language revisions to standardize terminology for all development service core service measures. This facilitates rolling up totals for presentation at the Economic and Neighborhood Development City Service Area level. The CSA level provides performance reporting for the whole development process rather than its component parts. Measuring the whole process rather than one segment will prove more useful to customers who are focused on getting their project approved or permitted.

# Economic and Neighborhood Development CSA

## Core Service: Development Plan Review & Building Construction Inspection *Planning, Building and Code Enforcement Department*

### Performance and Resource Overview (Cont'd.)

Development Plan Review & Building Construction Inspection Performance Summary		2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 % of projects that receive thorough, complete and consistent processing in the first cycle of the staff review process:	Planning Permit Process	91%	90%	90%	90%
	Building Plan Check Process	85%	90%	90%	90%
	Building Inspection Process	79%	75%	90%	75%
 Ratio of current year fee revenue to development fee program cost		113%	99%	100%	99%
 Development projects completed within processing time targets:	Planning Permit Process	88%	100%	88%	100%
	Building Plan Check Process	86%	100%	89%	100%
	Building Inspection Process	83%	85%	96%	85%
 % of process participants rating service "good" or better	Planning Permit Process	69%	75%	70%	75%
	Building Plan Check Process	82%	75%	75%	75%
	Building Inspection Process	79%	75%	85%	75%
 % of residents surveyed who rate the quality of architecture and landscape design/maintenance in new development in their neighborhood as good or better		68%	75%	75%	75%

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
Number of building permits issued	33,031	33,000	33,000	33,000
Number of customers served in Permit Center	28,406	31,000	28,000	28,000
Number of plan checks	7,823	9,000	6,400	6,500
Number of field inspections	190,766	200,000	190,000	185,000
Number of planning applications - Major	615	600	600	600
- Minor	243	350	125	125
Number of planning adjustments	1,220	1,400	1,100	1,100



# Economic and Neighborhood Development CSA

## Core Service: Development Plan Review & Building Construction Inspection *Planning, Building and Code Enforcement Department*

### Performance and Resource Overview (Cont'd.)

Construction Inspection Resource Summary	Actual 1	Adopted 2	Forecast 3	Proposed 4	Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 19,124,560	\$ 21,457,511	\$ 21,849,260	\$ 21,678,696	1.0%
Non-Personal/Equipment	711,973	1,224,724	1,318,891	1,301,891	6.3%
<b>Total</b>	<b>\$ 19,836,533</b>	<b>\$ 22,682,235</b>	<b>\$ 23,168,151</b>	<b>\$ 22,980,587</b>	<b>1.3%</b>
<b>Authorized Positions</b>	<b>207.95</b>	<b>207.45</b>	<b>208.45</b>	<b>206.45</b>	<b>(0.5%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY

1. Planning Fee Program (1.50) (170,718) (170,718)

In order to respond to projected activity levels and to achieve agreed upon cycle time and quality standards, various actions are necessary. In the Development Plan Review and Building Construction Inspection core service these actions include a net decrease of 1.50 positions to the Planning Fee Program; an increased vacancy factor (from 2% to 3%); a reduction to training resources (\$17,000) and use of the existing fee reserve (\$265,147). This net decrease includes the elimination of a vacant of 0.50 part-time Planner and 0.50 vacant Senior Planner, and reallocation of a Records Clerk (0.50 Senior Office Specialist) to the Building Fee Program. A total of 6.50 Senior Planners will remain in the program after this action. (Ongoing savings: \$170,718)

#### Performance Results:

**Cost, Cycle Time** Planning Fee program will maintain agreed upon response times for services with no fee increases.

# Economic and Neighborhood Development CSA

## Core Service: Development Plan Review & Building Construction Inspection *Planning, Building and Code Enforcement Department*

### Budget Changes By Core Service (Cont'd.)

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY (CONT'D.)

2. Building Fee Program	(0.50)	(19,700)	(19,700)
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In order to respond to projected activity levels and to achieve agreed upon cycle time and quality standards, various actions are necessary. In the Development Plan Review and Building Construction Inspection core service these actions include a net decrease of 0.50 positions to the Building Fee Program. This net decrease includes the elimination of a vacant Building Inspector and a filled Division Manager (effective January 2006), the addition of a Marketing and Public Outreach Officer, and the reallocation of a Records Clerk (0.50 Senior Office Specialist) from the Planning Fee Program. In addition to these proposed changes, there are two other proposals in other departments that impact the Building Fee Program. In the Information Technology Department, the addition of a Supervising Applications Analyst position is proposed to function as the Imaging Technical Manager, who will provide programming support for the development partners' complex imaging software applications. In the Office of Economic Development, an existing Economic Development Officer position would be reallocated to provide development facilitation for small businesses in conjunction with the Building Division's Small Business Ambassador Program. (Ongoing savings: \$64,894)

#### Performance Results:

**Cost, Cycle Time** Building Fee program will continue to make progress towards agreed upon response times for services with no fee increases.

3. Urban Runoff Regulation Compliance Review	1.00	83,526	0
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The addition of a Planner position funded by the Storm Sewer Fund to review urban runoff regulation compliance in development plans on a one-time basis is proposed. This position would provide day-to-day review and analysis of development applications for compliance with "C.3" requirements, review of site design and pollutant source control techniques, and conduct outreach to the Development community regarding stormwater management. (Ongoing cost: \$0)

#### Performance Results:

**Cost, Cycle Time, Customer Service** Ensures adequate staffing needed to meet customer service and permit compliance objectives while collecting real time data on how the review process is impacted by the new requirements as a basis for a proposed Planning Fee increase to be considered for 2006-2007.

# Economic and Neighborhood Development CSA

## Core Service: Development Plan Review & Building Construction Inspection *Planning, Building and Code Enforcement Department*

### Budget Changes By Core Service (Cont'd.)

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY (CONT'D.)</b>			
<b>4. Housing Action Team Staffing</b>	<b>(0.50)</b>	<b>(58,472)</b>	<b>0</b>
The elimination of 0.50 Senior Planner position that supports the Housing Action Team is proposed. The Housing funds would still continue to support 0.50 Senior Planner. Due to a reduction in tax increment revenues to support affordable housing development activities, a reduced level of support from Housing funds is required. (Ongoing savings: \$58,472)			
<b>Performance Results:</b>			
<b>Quality</b> This action should have no effect on the quality of development review as this reduction aligns with anticipated workload.			
<b>5. Sewer Service and Use Staffing</b>	<b>(0.50)</b>	<b>(22,200)</b>	<b>0</b>
The elimination of a vacant 0.50 part-time Word/Micro Processor Operator position in the Building Division is proposed. Implementation of the Integrated Development Tracking System and other technology improvements have allowed for the elimination of this position with no impact upon existing service levels. Sewer Service and Use Charge Fund would continue to support a compliment of 1.1 positions in support of reviewing private development's impact on its activities. (Ongoing savings: \$22,200)			
<b>Performance Results:</b>			
No change to service levels will result from this action.			
<b>2005-2006 Proposed Core Service Changes Total</b>	<b>(2.00)</b>	<b>(187,564)</b>	<b>(190,418)</b>

# Economic and Neighborhood Development CSA

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## Core Service: Fire Safety Code Compliance

*Fire Department*

### Core Service Purpose

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**M**inimize loss of life and property from fires and hazardous materials releases. Provide on-site code inspections and code plan review services to the City of San José business community and residents in the San José service area, resulting in a fire and chemical safe environment.

#### Key Operational Services:

☐ **Engineering (Development Review)**

### Performance and Resource Overview

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**T**he goal of the Fire Safety Code Compliance core service is to enforce the Fire and Health and Safety Codes. This goal is attained through customer education during the plan review consultations, inspection process, and enforcement. This core service contributes to the Economic and Neighborhood Development (END) City Service Area outcome “*Safe, Healthy, Attractive and Vital Community*”. In cooperation with the Planning, Building and Code Enforcement and Public Works Departments, there is an ongoing effort to streamline the development permit and plan check review process.

This core service reflects a restructuring plan, which results in the non-development services related Regulatory Enforcement functions (Permitted/Special Occupancy Inspections, and Hazardous Materials Code Enforcement) moving to the Public Safety CSA, Fire Prevention Core Service. This restructuring more accurately reflects the role of the Regulatory Enforcement Inspection Program as a Public Safety service, while continuing the service alignment of development related Engineering Review with the goals and outcomes of the Economic and Neighborhood Development CSA.

The City-adopted California Fire Code requires inspections of all new and tenant-improvement construction related to fire and life safety. Site inspections prior to construction are required to ensure adequate water supply and fire apparatus access.

#### Fire Fee Program Cost Recovery Status

By Council policy, the Fire Fee Program revenues should recover 100% of costs. In 2004-2005, the Fire Fee Program is experiencing revenues that appear to be in line with the cost recovery goals. With the estimated level of activity for 2005-2006 however, base costs for providing services are projected to exceed the estimated revenues for this cost-recovery fee program. To bring revenues in line with costs, revenue actions are proposed in the 2005-2006 Proposed Budget. A restructuring of

# **Economic and Neighborhood Development CSA**

## **Core Service: Fire Safety Code Compliance** *Fire Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Fire Fee Program Cost Recovery Status (Cont'd.)**

Development Fees, designed to bring the basis for fee calculation in alignment with other CSA partners, in addition to new fees for variance processing, temporary certificate of occupancy review, and single family and custom tract homes, are projected to produce revenue sufficient to offset the base cost recovery imbalance.

#### **Development Fee Program Performance**

The Development Fee Program has experienced an upswing in engineering activity in the latter part of 2004-2005, with a noticeable increase in larger, more complex projects that require additional staff review time. Additionally, staff resources were re-directed to necessary work on the new City Hall, especially in the latter part of 2004-2005. This activity upswing and redirection of staff has resulted in delays in Fire Plan Check processing. Performance in meeting Fire Plan Check processing time targets is estimated to end the year at 85%, well below the target of 100%. Recent upswings in engineering activity are anticipated to continue through the end of 2004-2005, and into 2005-2006. For 2005-2006, while goals will remain the same, there will be challenges to meeting turnaround performance targets, especially in the Express Review program. The completion of the new City Hall project will allow the staff previously re-assigned to return to the fee-funded review activities, increasing the available resources to the budgeted levels. There are significant indications that, in addition to the current workload increase, several complex high-rise projects may enter the review pipeline in the first half of 2005-2006, which will require a reassessment of program resources. Completion of Fire inspections within 24 hours is estimated at 96% in 2004-2005, slightly below last year's performance of 98%, and well above the target of 85%. The Fire Department is working on completing a Business Plan for all inspection and engineering programs. The Business Plan will enable program management to define resource allocations, and triggers for requesting any additional positions that may be required to meet program targets, while remaining cost recovery.





#### **Performance Measure Development**

Performance Measures and Activity Workload highlights related to non-development services related functions have been deleted from this core service and shifter to the Public Safety CSA due to the core service restructuring.

# Economic and Neighborhood Development CSA

## Core Service: Fire Safety Code Compliance Fire Department

### Performance and Resource Overview (Cont'd.)

Fire Safety Code Compliance Performance Summary	2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 % of projects that receive thorough, complete and consistent processing in the first cycle of the staff review process - Fire Plan Check - Inspections	94% 92%	90% 85%	87% 89%	90% 85%
 Ratio of estimated current year fee revenue to fee program cost	106%	100%	100%	100%
 Selected cycle time measures for Development services: - Fire Plan Check processing targets met * - Fire inspections within 24 hours	88% 98%	100% 85%	85% 96%	100% 85%
 % of Development process participants rating service as good or excellent	92%	75%	N/A	75%

\* Targets are 2 to 6 weeks depending on size of project.

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
Plan Reviews Performed*	3,502	3,550	4,000	4,000
Inspections Performed*	3,991	1,700	4,000	4,500

\* See Performance Measure Development section

Fire Safety Code Compliance Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 3,821,258	\$ 4,083,426	\$ 2,090,465	\$ 2,090,465	(48.8%)
Non-Personal/Equipment	153,118	162,714	74,614	74,614	(54.1%)
<b>Total</b>	<b>\$ 3,974,376</b>	<b>\$ 4,246,140</b>	<b>\$ 2,165,079</b>	<b>\$ 2,165,079</b>	<b>(49.0%)</b>
<b>Authorized Positions</b>	<b>33.50</b>	<b>31.50</b>	<b>17.25</b>	<b>17.25</b>	<b>(45.2%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Economic and Neighborhood Development CSA

Core Service: Fire Safety Code Compliance  
*Fire Department*

## Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY</b>			
1. Fire Fee Program	0.00	0	55,389
<p>This proposal bridges the gap between anticipated development review revenues in 2005-2006 of \$3.3 million and base expenditures of \$3.5 million by establishing new fees for single-family plan review, hazardous materials plan check (express and intermediate) and Temporary Certificate of Occupancy Processing activities; restructuring of the existing service fee to an hourly fee; and extending the existing record retention fee to Hazardous Materials Installation activities. These actions are anticipated to generate an additional \$283,000 in revenue to support the program. Partially offsetting these revenues is a proposed shift of positions (0.10 Hazardous Materials Inspector, 0.32 Senior Engineer) from support of the new City Hall project to the Fire Fee Program. These actions will maintain the alignment of staffing and activities levels experienced in the development sector. (Ongoing cost: \$0)</p>			
<b>Performance Results:</b>			
<p><b>Cost</b> To achieve full cost-recovery, these actions will increase revenue to match the projected workload for the Fire Fee Program. <b>Customer Satisfaction</b> Customer response times should improve slightly with the shift of positions from work on the new City Hall capital project to the Fire Fee Program.</p>			
2005-2006 Proposed Core Service Changes Total	0.00	0	55,389

# Economic and Neighborhood Development CSA

## Core Service: Increase the Affordable Housing Supply

*Housing Department*

### Core Service Purpose

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**P**rovide funding and technical assistance for the creation of new affordable housing and homebuyer assistance.

#### Key Operational Services:

☐ **Make Loans to Developers**

☐ **Provide Homebuyer Assistance**

### Performance and Resource Overview

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**T**his core service increases the supply of affordable housing by funding the construction of new housing units and by improving homeownership opportunities for San José residents. In the construction program, low-interest gap loans are provided to housing developers for the construction of rental housing projects that are affordable to households with extremely low-to low-incomes. The homeownership program, which includes the Teacher Homebuyer Program, provides assistance by providing downpayment assistance and second mortgages as well as working in partnership with a number of organizations to serve San José residents seeking homeownership opportunities. This core service contributes to the Economic and Neighborhood Development CSA outcome: *Diverse Range of Housing Opportunities*.

In February 2005, the Mayor announced a new goal to have 10,000 affordable housing units completed or under construction over the eight-year time period of January 1999 through December 2006. As of April 2005, 7,423 units are complete and 1,351 are under construction towards this goal. The Department will utilize approximately \$30 million in bond proceeds and the line of credit, secured by tax increment funds, to finance the construction of 601 new affordable housing units in 2005-2006.

By the end of 2004-2005, through the Teacher Homebuyer Program, the City anticipates having assisted a total of 490 teachers since its inception in 2001. The prices of for-sale housing in 2004-2005 rose to a level that exceeded affordability of local teachers. As a result, although the City's commitment to and funding of the program continues, the Teacher Housing Program will be unable to reach its goal of serving 100 teachers for the year. In 2005-2006, the Housing Department will utilize \$2 million in federal HOME funds to supplement \$2 million in 20% Tax Increment revenue to support this program and meet the annual goal of providing 100 teachers with homebuyer loans of up to \$40,000 each.



# Economic and Neighborhood Development CSA

## Core Service: Increase the Affordable Housing Supply








*Housing Department*

### Performance and Resource Overview (Cont'd.)

In the fall of 2004, the Department received \$2.16 million in Building Equity and Growth in Neighborhoods (BEGIN) funds from the State Department of Housing and Community Development (HCD). These funds provide downpayment assistance to homebuyers in new housing developments. Neighborhood Housing Services of Silicon Valley (NHSSV) is under contract to provide administration of this program. The Department is seeking additional BEGIN funds in 2005-2006.

#### Performance Measure Development

The performance measures for this core service were revised to provide clarity and consistency with the Mayor's 10,000-unit goal for the period of January 1999 through December 2006 and create language uniformity within the measures.

Increase the Affordable Housing Supply Performance Summary	2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 % of cumulative target achieved toward 1999-2006 affordable housing production goal of 10,000 units	N/A*	N/A*	108% (8,774 units)	96% (9,600 units)
 % of annual Teacher Homebuyer Loans target achieved	90% (90 loans)	100% (100 loans)	73% (73 loans)	100% (100 loans)
 Cumulative ratio of non-City funds to City funds in 2002-2007 New Construction Program	2.1:1	3:1	2:1	3:1
 % of Teacher homebuyer loans approved within 15 days of receipt of complete loan application package	98%	95%	95%	95%
 % of new construction units completing construction within 36 months of initial City funding commitment	95%	85%	85%	90%
 % of homebuyer clients (approved or denied) satisfied or very satisfied with the programs based on overall service	90%	90%	90%	90%
 % of developers satisfied or very satisfied with the Department based on timeliness in processing financing	80%	100%	NA**	100%

\* New measure for 2005-2006

\*\* Data incomplete due to inadequate responses

# Economic and Neighborhood Development CSA

## Core Service: Increase the Affordable Housing Supply *Housing Department*

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
Number of teacher homebuyers assisted	90	100	73*	100
Number of other homebuyers assisted	22	180	47**	113
Number of total homebuyers assisted	112	280	120	213
Number of affordable housing units completed or under construction since 1/1/1999				
Annual	2,104	1,278	1,967	601
Cumulative	6,807	7,350	8,774	9,375
Average per-unit subsidy in funding commitments for new construction projects (\$)	61,139	60,000	60,000	65,000

\* Current for-sale housing market has limited properties in price range affordable to teachers.

\*\* Delays in completion of the program's for-sale developments resulted in fewer second mortgage applications.

Increase the Affordable Housing Supply Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 1,032,902	\$ 1,045,799	\$ 1,010,490	\$ 1,010,490	(3.4%)
Non-Personal/Equipment	51,176	229,814	164,409	164,409	(28.5%)
<b>Total</b>	<b>\$ 1,084,078</b>	<b>\$ 1,275,613</b>	<b>\$ 1,174,899</b>	<b>\$ 1,174,899</b>	<b>(7.9%)</b>
<b>Authorized Positions</b>	<b>10.80</b>	<b>9.80</b>	<b>9.20</b>	<b>9.20</b>	<b>(6.1%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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NONE

# Economic and Neighborhood Development CSA

## Core Service: Long Range Land Use Planning

*Planning, Building and Code Enforcement Department*

### Core Service Purpose

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**D**evelop land use plans and policies to guide the future physical growth of the City.

#### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>City-wide Land Use Planning<br/>(General Plan)</b> | <input type="checkbox"/> <b>Specific/Area Planning</b>       |
| <input type="checkbox"/> <b>Historic Preservation</b>                          | <input type="checkbox"/> <b>Neighborhood Revitalization</b>  |
|  | <input type="checkbox"/> <b>Policy/Ordinance Development</b> |

### Performance and Resource Overview

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**T**he following are desired outcomes of this core service: a General Plan that is kept relevant and current through the incorporation of approved amendments; a Zoning Code that is clear and current; and land use plans, maps, and documents that are clear, comprehensive, and accessible to customers. This core service contributes to all three primary outcomes of the Economic and Neighborhood Development City Service Area: 1) *Strong Economic Base*; 2) *Diverse Range of Housing Opportunities*; and 3) *Safe, Healthy, Attractive and Vital Community*.

#### Long Range Land Use Planning Overview

In addition to developer-funded planning efforts (i.e., Coyote Valley Specific Plan and Evergreen Visioning Project) the City continues to perform limited long range planning work with City funds. These planning activities include Council-initiated General Plan changes; planning work associated with the implementation of Strong Neighborhoods Initiative (SNI) plans; and limited proactive policy and regulatory work to advance the City's adopted Economic Development Strategy. Each of these activities directly address City Council priorities.

For 2006-2007, the initiation of a comprehensive General Plan update would further advance the City's long range planning program, including Council goals with respect to economic development, affordable housing, and overall quality of life.

#### Staff Resources

A long-range planning Planner position is proposed for deletion in Tier 1 of this budget. This would bring the total staffing reduction in this core service to eight positions since 2002-2003 (5.0 Planner I/II, 2.0 Planning Technicians and 1.0 Office Specialist). In addition, a Senior Planner and a Planner II position are proposed Tier 2 cuts. While dedicated limit-dated staffing was added for the Coyote Valley Specific Plan and Evergreen Visioning Project/Smart Growth Strategy, the positions are scheduled for elimination upon completion of these efforts. It should be noted that outside of the limit dated positions, the reduction of core staffing for long-range planning

# **Economic and Neighborhood Development CSA**

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## **Core Service: Long Range Land Use Planning** *Planning, Building and Code Enforcement Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Staff Resources (Cont'd.)**

would reach 28.6% over the past three years with the recommended Tier 1 cut. If taken, the Tier 2 proposals would mean a staff reduction of 35.7% for that three-year period. In addition, a temporary fee-funded Planner position, added in 2004-2005 to work on General Plan amendments for large projects submitted at the end of the last fiscal year, will expire at the end of June 2005. All of the positions that have been cut or are proposed for deletion in this budget are General Fund positions – the traditional funding source for long range planning activities.

#### **City-Wide Land Use Planning**

Since 2003-2004, four General Plan hearings per year have been scheduled. This will continue in 2005-2006. Resources have been reallocated to this function because it is fee-based. As applications increase, the additional resources commensurate with increased fee revenue may be needed in order to meet performance goals.

In 1999-2000, the City Council approved the initiation of a Housing Opportunities Study. This effort is focused on identifying possible sites for higher density residential and mixed-use development along the City's Transit-Oriented Development Corridors. The first phase included General Plan amendments capturing opportunities along the Capitol Corridor. This effort continued in 2001-2002 with a second phase focusing on the Stevens Creek Boulevard/West San Carlos Street and Santa Clara Street/Alum Rock Avenue Corridors. The second phase was completed in December 2002. A third and final phase, which included the remaining corridors (Guadalupe, Vasona, and Winchester), was largely completed in December 2004. The City Council deferred a couple of the Housing Opportunities Study (HOS) General Plan amendments to allow for more discussion with neighboring property owners and other stakeholders. These amendments will be considered by the City Council in calendar year 2005.

#### **General Plan Update**

The last comprehensive update of San José's General Plan was in 1994. Given the significant growth issues facing the City, another comprehensive update is needed to allow City staff and the City Council to engage the community in preparing a land use vision to direct future growth while preserving the quality of life in our neighborhoods. A new plan will assist policy makers and development interests in shaping a positive future for the community. It is estimated that the General Plan update process would take 2 years and cost approximately \$2.45 million. State law allows local governments to levy a fee on development permits to pay the costs of a comprehensive update of their General Plan.

By adopting MBA #25 as part of the final 2004-2005 Adopted Operating Budget package, the City Council approved a timetable for the two-year process beginning in mid-2006. At the same time, City Council elected not to approve the section of MBA#25 that proposed a 2.4% fee applied to "Entitlement and Building Permit Fees" which would have raised \$1.7 million over 4 years to cover 70% of project's total cost. Instead, the original General Plan Update Fee of 1.25% proposed in the

# **Economic and Neighborhood Development CSA**

## **Core Service: Long Range Land Use Planning**

*Planning, Building and Code Enforcement Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **General Plan Update (Cont'd.)**

2004-2005 Fees and Charges Report was adopted. The adopted fee will raise \$800,000 over 4 years to cover the Update's consultant and non-personal/equipment costs. The Update work plan now calls for the reassignment of existing Principal Planner, Senior Planner, and Planner positions in the Special Projects/SNI Team from other special projects to the Comprehensive General Plan Update. It should be noted that two of these positions are proposed for deletion in Tier 2 of this budget. Should the positions be deleted, additional funding to support the staff costs associated with the Update would need to be identified and secured in order to begin the project on the City Council approved timetable in July 2006.

#### **Special Projects/Strong Neighborhoods Initiative**

The Special Projects/SNI Team continues to implement planning actions associated with the 19 approved SNI Neighborhood Improvement Plans. Working with the community and property owners, staff is proactively initiating and processing General Plan amendments and rezoning proposals to reflect the action items in the adopted SNI Plans, facilitate development and reinvestment in these neighborhoods, and protect existing neighbor character. The positions proposed for deletion in Tier 1 and Tier 2 are part of this team.

The Special Projects/SNI Team is also responsible for other special projects. Staff is currently working on the high priority update of the North San José Area Development Policy to facilitate taller buildings and greater floor area ratios along the North First Street corridor in the Innovation Triangle. This effort is an outgrowth of the adopted Economic Development Strategy and the Council's direction after the Getting Families Back to Work Study Sessions. The policy update is scheduled to be considered by the Council by the end of 2004-2005.

#### **Specific/Area Planning**

Per the adopted Council Budget Strategy, new advance planning efforts must now be funded by outside sources. The Coyote Valley Specific Plan and Evergreen Visioning Project/Smart Growth Strategy are both underway and will continue in 2005-2006. These major, highly visible, and community-based planning efforts require intensive inter-departmental and inter-agency coordination as well as day-to-day project management to meet the aggressive schedules established for each effort. Both projects are scheduled for completion near the end of 2005-2006.




#### **Performance Measure Development**

The performance measure that tracked the percentage of acres where new development occurs within eight years of specific plan adoption has been dropped from this core service. This is due to the fact that all of the City's adopted specific plans, except Martha Gardens, are now older than eight years rendering that measure less meaningful.

# Economic and Neighborhood Development CSA

## Core Service: Long Range Land Use Planning Planning, Building and Code Enforcement Department

### Performance and Resource Overview (Cont'd.)

Long Range Land Use Planning Performance Summary	2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 % of special planning efforts completed within targeted cost:				
Specific/Area Policy Plans:	100%	No Target	N/A	100%
North San Jose Development Policy:	N/A	100%	100%	N/A
 % of special planning efforts completed within targeted time:				
Specific/Area Policy Plans:	100%	No Target	N/A	100%
North San Jose Development Policy:	N/A	100%	100%	N/A
 % of planning process participants rating service as "good" or "excellent"	90%	80%	96%	85%

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
Number of Scheduled/Completed Specific/Area Policy Plans	1 of 1	0 of 0	0 of 0	2 of 2
Number of planning policy studies	0 of 0	1 of 1	1 of 1	0 of 0
Number of General Plan Amendments	27	30	32	30

Long Range Land Use Planning Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 2,243,160	\$ 2,341,216	\$ 2,337,869	\$ 2,242,287	(4.2%)
Non-Personal/Equipment	548,594	191,763	208,543	208,343	8.6%
<b>Total</b>	<b>\$ 2,791,754</b>	<b>\$ 2,532,979</b>	<b>\$ 2,546,412</b>	<b>\$ 2,450,630</b>	<b>(3.3%)</b>
<b>Authorized Positions</b>	<b>32.45</b>	<b>31.45</b>	<b>30.45</b>	<b>29.45</b>	<b>(6.4%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Economic and Neighborhood Development CSA

## Core Service: Long Range Land Use Planning *Planning, Building and Code Enforcement Department*

### Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY</b>			
<b>1. Long Range Land Use Planning</b>	<b>(1.00)</b>	<b>(95,782)</b>	<b>(95,782)</b>
<p>This action eliminates a vacant Planner in Long Range Land Use Planning and the Special Projects/Strong Neighborhoods Initiative (SNI) Team. The impact of this action is a reduction of service within the Special Projects team in the Planning Services Division. Action items in SNI and specific plan areas as well as tactics identified in the adopted Economic Development Strategy will be delayed. Two General Fund and three CDBG positions would remain to address these activities. (Ongoing savings: \$95,782)</p>			
<b>Performance Results:</b>			
<b>Quality, Cycle Time</b> Cycle times will increase for analysis, research, community communications, coordination with other Departments, and other work associated with the Special Projects team.			
<b>2. General Plan Team, Data Management and Zoning Ordinance Funding Shift</b>		<b>0</b>	<b>0</b>
<p>A technical adjustment to reallocate 0.7 General Plan Planner, 0.5 Data Management Senior Planner and 0.5 Zoning Ordinance Senior Planner from the General Fund to the Planning and Building Fee Programs is proposed. This action would more properly allocate department resources to funding sources and workload need for 2005-2006 and beyond. (Ongoing cost: \$0)</p>			
<b>Performance Results:</b>			
No change to service levels will result from this action as these adjustments align staffing resources to funding sources.			
<b>2005-2006 Proposed Core Service Changes Total</b>	<b>(1.00)</b>	<b>(95,782)</b>	<b>(95,782)</b>

# Economic and Neighborhood Development CSA

## Core Service: Maintain the Existing Affordable Housing Supply *Housing Department*

### Core Service Purpose

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**T**his core service provides rehabilitation loans and grants and construction oversight to extend the useful life of affordable housing, including single-family homes, mobile homes and multi-family buildings. In addition, this core service provides loan servicing and portfolio oversight to protect the City's investments and ensure the affordable units remain affordable as well as provide Rental Dispute services to community residents to ensure rent increases are controlled and assist clients with eviction notices.

#### Key Operational Services:

- ☐ **Loan Management**
- ☐ **Rental Dispute Services**
- ☐ **Housing Rehabilitation**

### Performance and Resource Overview

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**M**aintaining the existing supply of affordable housing involves three distinct activities. The first is the physical maintenance of buildings to extend their life, including both small-scale rehabilitation of single-family homes, multi-family apartments, and mobile home units and the acquisition/rehabilitation of large apartment complexes. The second is providing assistance to renters and rental property owners through the Rental Rights and Referrals Program. The third is ensuring that housing units subject to long-term affordability restrictions remain affordable and well maintained for the term of the restriction, and safeguarding City assets through management and collection of loans. This core service contributes to the following Economic and Neighborhood Development CSA outcomes: *Diverse Range of Housing Opportunities* and *Safe, Healthy, Attractive and Vital Community*.

#### Housing Rehabilitation

The City offers a number of programs to San José residents and property owners seeking to maintain and/or improve the condition of their properties. These programs currently provide low-interest or interest-free loans or grants to low-income homeowners to perform critical repairs from replacing substandard systems such as bathrooms, kitchens, roofs and hot water systems to removing lead based paint and providing new exterior paint.

For 2004-2005, the measure for rehabilitation projects that are under \$55,000 per unit is estimated to be 90%, which is 15% above the target. This unanticipated increase is due to a significant increase in grants of under \$15,000. Due to competing needs for limited resources, no new grants will be awarded for paint projects in 2004-2005. In 2005-2006, funding for paint grant projects will be dependent upon the availability of Redevelopment Agency supplemental funds.



# **Economic and Neighborhood Development CSA**

## **Core Service: Maintain the Existing Affordable Housing Supply** *Housing Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Housing Rehabilitation (Cont'd.)**

A safe, healthy, attractive and vital community is one of the outcomes of the END CSA. The housing rehabilitation program is a critical component of the partnership between the City and SNI community leaders to revitalize neighborhoods. The Department continues to aggressively pursue a variety of sources of funds for rehabilitation projects in SNI areas, target current funding to these areas per Council Policy, and continue to actively work with SNI staff from the Agency and the City to assist neighborhoods with the implementation of rehabilitation demonstration projects.

For 2005-2006, the Department is budgeting \$4.5 million for housing rehabilitation projects, with funding coming from: Federal HOME funds (\$2 million), Community Development Block Grant (\$1.5 million), and CalHome (\$1 million) funds. Additional funds will be sought to continue successful efforts, particularly focused on SNI neighborhoods.

#### **Rental Rights and Referrals**

Over the past two years, the Rental Program has administered the new Non-Rent Controlled Tenancy Program, which provides mediation services to tenants receiving no-cause eviction notices. At the time of inception, a \$0.50 per-unit annual fee – generating \$10,183 – was put in place to provide funds to administer the new program. In order to provide the funds necessary to fully fund the program, a CDBG grant has been recommended in the amount of \$47,793 for 2005-2006.

Declining rent rates and increased vacancies over the past year have resulted in fewer rental disputes and evictions and therefore decreased demand for services in the apartment and mobilehome rent control programs. Projections of ongoing demand for the program services are still uncertain due to the current market conditions. Therefore, staff intends to postpone any fee changes another year, to allow a longer, more stable evaluation period. As part of the 2006-2007 budget process, program staff will evaluate costs and develop a recommendation for fee changes to maintain cost recovery for all Rental Rights and Referrals programs.

#### **Loan Compliance and Collections**

The Housing Department loan portfolio is expected to be \$506 million by June 2005. The Loan Compliance unit performs a variety of asset management functions to protect the City's investment in housing projects, including ensuring that affordable housing projects are properly managed and maintained, and that they are kept affordable to low- and moderate-income residents. In addition, the Loan Collections unit is responsible for ensuring that housing loans due to the Department are paid in a timely manner, and taking the necessary enforcement action when financial, regulatory or contractual obligations are not met. The repaid loans are then made available for other housing projects.

# Economic and Neighborhood Development CSA

## Core Service: Maintain the Existing Affordable Housing Supply *Housing Department*








### Performance and Resource Overview (Cont'd.)

#### Loan Compliance and Collections (Cont'd.)

The Loan Compliance and Collections units expect to complete the following projects in 2005-2006: work with affordable housing development property management companies to develop the automated submission of compliance information; coordinate with the Redevelopment Agency to prepare for the anticipated growth in inclusionary housing units over the next five years; verify occupancy of units assisted by second mortgage programs; and conduct an analysis for options to refinance portions of the loan portfolio.

#### Performance Measure Development

The cumulative production goal for affordable housing units achieved through acquisition and rehabilitation has been dropped. These units will be included in the overall 10,000 unit production goal reported in the "Increase Supply of Affordable Housing" Core Service. Other performance measures for this core service were slightly revised to provide clarity and consistency with the manner in which the data is collected.







Maintain the Existing Affordable Housing Supply Performance Summary	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Target
 Default rate of loan portfolio by category: (Includes both declared and non-declared defaults)				
% of total loan principal:				
1. Project Loans	3.3%	<6%	<4%	<4%
2. Rehabilitation Loans	7.3%	<4%	<6%	<4%
3. Homebuyer Loans	1.30%	<3%	<2%	<2%
% of total loans:				
4. Project Loans	5.10%	<6%	<4%	<4%
5. Rehabilitation Loans	7.20%	<8%	<6%	<4%
6. Homebuyer Loans	1.30%	<4%	<2%	<2%
 % of loan payments collected out of scheduled total payments due to the City	100%	100%	100%	100%
 % of rehabilitation projects that are under \$55,000 per unit	98%	75%	90%	75%
 % of all non-mobilehome rehabilitation project funds approved within SNI neighborhoods	N/A	75%	70%	75%
 % of all rehab program funds that are loaned versus granted	N/A	25%	15%*	25%
 Cumulative ratio of non-City to City funds in acquisition/rehabilitation projects since 1/1/1999	14 to 1	15 to 1	16 to 1	15 to 1
 % of emergency repair requests completed within 15 days of qualification to completion of critical repair	N/A	75%	85%	75%

\* The goal of 25% loans was not met due to a backlog of existing grant applications. Once the application backlog is eliminated, the program can focus on marketing and screening new applicants to meet program goals.

# Economic and Neighborhood Development CSA

## Core Service: Maintain the Existing Affordable Housing Supply Housing Department

### Performance and Resource Overview (Cont'd.)

Maintain the Existing Affordable Housing Supply Performance Summary	2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 % of small rehabilitation projects completed within 6 months of approval	N/A	75%	60%	75%
 % of large rehabilitation projects completed within 12 months from approval (substantial completion)	N/A	75%	50%*	75%
 % of paint grant projects completed within 6 months from complete application to project completion	N/A	80%	0%**	0%**
 % of rehabilitation, mobilehome, and paint-grant clients satisfied or very satisfied based on overall service	N/A	95%	98%	95%
 % of Rental Rights and Referrals Program clients satisfied or very satisfied with overall service based on client survey	82%	90%	85%	90%
 % of loan management clients satisfied or very satisfied based on overall service	N/A	85%	TBD***	80%

\* Through mid-year, 5 large projects were completed, most of which were initiated prior to the SNI exterior grant program. The current focus is on eliminating the backlog of grant applications and meeting the 75% goal in the future.

\*\* Due to funding reductions, no new applications for Paint Grants were processed in 2004-2005. Paint projects completed in 2004-2005 were from applications received in prior fiscal year.

\*\*\* Survey not completed due to inadequate responses.

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
Number of rehabilitation projects completed				
1. Rehabilitation Projects	211	205	200	200
2. Paint Projects	416	450	150*	100
3. Mobile home projects	159	120	120	150
Total:	786	775	470	450
Number of rehabilitation applications approved or cancelled				
1. Rehab, conventional homes				
-SNI neighborhoods	145	150	219	150
-Non-SNI neighborhoods	114	100	110	100
2. Mobile home projects	76	150	171	150
3. Paint projects	500	450	0*	100
Total:	835	850	500	500
Number of emergency pre-application inspections	N/A	100	220	50

\* Due to funding reductions, no new applications for Paint Grants were processed in 2004-2005. Paint projects completed in 2004-2005 were from applications received in prior fiscal year.

# Economic and Neighborhood Development CSA

## Core Service: Maintain the Existing Affordable Housing Supply Housing Department

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
Size of Housing Department loan portfolio by category:				
Total loan principal (\$):				
1. Project Loans	393,873,880	463,900,000	467,229,000	504,563,000
2. Rehabilitation Loans	18,536,298	17,000,000	16,950,000	17,925,000
3. Homebuyer Loans	20,079,555	28,000,000	21,929,000	24,179,000
Total	432,489,733	508,900,000	506,108,000	546,667,000
Total number of loans:				
4. Project Loans	140	175	148	152
5. Rehabilitation Loans	583	590	499	513
6. Homebuyer Loans	551	840	574	626
Total	1,274	1,605	1,221	1,291
Number of Loan Management transactions (refinances, payoffs, subordinations, assumptions)	349	525	475	480
Number of units inspected on major projects in loan portfolio	N/A	1,700	550*	1725
# of unduplicated Rental Right Referral Program clients	2,143	1,750	2,400**	2,400
Number of clients assisted with eviction notices	277	175	300	300

\* The goal was to inspect 10% of the 17,000 units in the portfolio. Limited staff resources resulted in falling short of this goal.

\*\* Although the number of evictions is down in the current market, outreach efforts have resulted in program information going to larger numbers of renters and landlords.

Maintain the Existing Affordable Housing Supply Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 3,088,270	\$ 2,854,934	\$ 3,127,519	\$ 3,127,519	9.5%
Non-Personal/Equipment	142,680	799,052	540,911	540,911	(32.3%)
<b>Total</b>	<b>\$ 3,230,950</b>	<b>\$ 3,653,986</b>	<b>\$ 3,668,430</b>	<b>\$ 3,668,430</b>	<b>0.4%</b>
<b>Authorized Positions</b>	<b>34.50</b>	<b>30.50</b>	<b>31.80</b>	<b>31.80</b>	<b>4.3%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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NONE

# Economic and Neighborhood Development CSA

## Core Service: Outdoor Special Events *Office of Economic Development*

### Core Service Purpose

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**T**o develop and manage resources that support and build diverse cultural organizations and the arts.

#### Key Operational Services:

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Coordination and Support for Special Events</b> | <input type="checkbox"/> <b>Event Organizers' Technical Assistance</b>      |
| <input type="checkbox"/> <b>Special Events Development and Production</b>   | <input type="checkbox"/> <b>Development/Enforcement of Event Guidelines</b> |
| <input type="checkbox"/> <b>Grant Support</b>                               |   |

### Performance and Resource Overview

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**T**he Outdoor Special Events core service prior to 2005-2006 supported the Recreation and Cultural Services City Service Area (CSA) outcome: *Vibrant Cultural, Learning and Leisure Opportunities*. In 2005-2006, this core service will move into the Economic and Neighborhood Development (END) CSA and will support END's *Strong Economic Base* outcome. This service, housed in the Office of Cultural Affairs (OCA), oversees special event planning; coordinates all City services that support events; authorizes special events on public and private property throughout the City; develops policies, regulations and ordinances related to special events; and is a key participant in planning new or improved outdoor event venues. In accordance with City Council direction, beginning in 2005-2006, OCA will become part of the Office of Economic Development.

The Outdoor Special Events Program designs and produces special City events on an as-needed basis (e.g., San José's celebration of California Arts Day, the Jingle Jam Holiday Party and Carnival); supports unique one-time events such as the new City Hall Grand Opening activities; and participates in special projects such as the San José Grand Prix, the Redevelopment Agency's Public Spaces Programming, planning for the 2006 International Society of Electronic Arts (ISEA) ZeroOne Arts and Technology Festival, the San José Convention and Visitor's Bureau *Access San José* customer service project, and the New Civic Center facility management policy development process.

The key challenge for this core service is the number, size and complexity of events and how to incorporate them into the community, while maintaining normal business activity and neighborhood integrity. Performance data indicates that the challenge has been met - 89% of event attendees rate event quality, safety and accessibility as good to excellent, while 90% of neighbors rate event coordination as good to excellent, based on safety and planning.

One performance result that is not specifically called out is the percentage of recovered costs for expenses incurred by City departments to deliver special events. While 2003-2004 data shows that

# Economic and Neighborhood Development CSA

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## Core Service: Outdoor Special Events

*Office of Economic Development*

### **Performance and Resource Overview (Cont'd.)**

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OCA staff is maintaining a high recovery rate (97%), the final payment from one event producer (which is fully expected to be received), will bring the actual recovered costs to 100% for 2003-2004. This has been accomplished by OCA staff tracking payment records and actively working with organizations to encourage payment of outstanding invoices. It is hoped that, with the anticipated increase in the overall number of events and the additional responsibilities of activating the new City Hall spaces, staff will be able to maintain a similar recovery rate in 2004-2005 and 2005-2006.









In 2004-2005, staff implemented various improvements in the event program as a result of the 2003-2004 City Council directives related to special events, (as part of the City's *Getting Families Back to Work* initiative). Among the major accomplishments was the implementation of a new "One-Start" Special Event Permit application form that consolidates multiple City applications into one form, and establishes a single "gatekeeper" to handle all incoming event applications and inquiries. This streamlined process eliminates repetitive paperwork and travel for event producers, and sharply reduces the telephone "run-around" that potential event producers have sometimes experienced when seeking to establish an event in San José. The special event grant process refocused its primary goals on economic enhancement, cultural enrichment and promotion of the City of San José. Required grant paperwork was streamlined whenever possible and information was made available on-line and downloadable. Event evaluations were improved to be less subjective in format. Beginning in 2005-2006, successful grant applicants will be able to further streamline their grant application process by taking advantage of a "multi-year scoring" opportunity, which will be offered as part of the grant program improvements to reward and recognize high-scoring, successful events.

A comprehensive, informative special event website is anticipated to be launched in late spring 2005 to attract new events that will enhance the community's quality of life for residents and visitors alike. It is anticipated that the inclusion of this core service in the Economic and Neighborhood Development CSA will influence further development of the City's special events program (as resources allow), to include more emphasis on event development and to develop more accurate measurement of the economic impact of various types of special events.

# Economic and Neighborhood Development CSA

## Core Service: Outdoor Special Events *Office of Economic Development*

### Performance and Resource Overview (Cont'd.)

Outdoor Special Events Performance Summary	2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 % of events rated by City departments good to excellent based on planning	55%	65%	81%	70%
 Ratio of City grant funding to all other revenue sources	\$1:\$9	\$1: \$9	\$1:\$9	\$ 1:\$9
 Net cost of City services per 1,000 event attendees	\$1.24	\$0.95	\$1.00	\$0.95
 % of events billed within 30 days of cost determination	88%	75%	75%	75%
 % of event organizers rating city services and facilities good to excellent based on safety and planning	80%	85%	73%	80%
 % of event attendees rating events good to excellent based on quality, safety and accessibility	88%	90%	89%	90%
 % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as good or excellent	46%	46%	46%	48%
 % of neighbors rating event coordination good to excellent based on safety and planning	90%	90%	90%	90%

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
# of events held on public and private property	388	400	350	400
# of event attendees	1,656,809	2,000,000	1,928,215	2,000,000
Grant funding for special events	\$397,045	\$292,251	\$320,951	\$310,516
Cost of City services (for special events)	\$356,731	\$475,000	\$467,000	\$475,000
# of non-profit sponsored events	302	275	260	300
Recovered cost	\$354,680	\$473,100	\$464,000	\$473,100

# Economic and Neighborhood Development CSA

## Core Service: Outdoor Special Events *Office of Economic Development*

### Performance and Resource Overview (Cont'd.)

Outdoor Special Events Resource Summary	2003-2004 Actual** 1	2004-2005 Adopted** 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services			\$ 448,661	\$ 448,661	N/A
Non-Personal/Equipment			263,092	263,092	N/A
<b>Total</b>			<b>\$ 711,753</b>	<b>\$ 711,753</b>	<b>N/A</b>
<b>Authorized Positions</b>			<b>4.00</b>	<b>4.00</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

\*\* Prior to 2005-2006, Outdoor Special Events Core Service appeared in the Recreation and Cultural Services City Service Area under the Conventions, Arts and Entertainment Department.

### Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			



# Economic and Neighborhood Development CSA

**Core Service: Provide Services to Homeless and At-Risk Populations**  
*Housing Department*

## Core Service Purpose

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**C**oordinate services toward ending homelessness.

### Key Operational Services:

- ☐ **Coordination of Services Aimed to End Chronic Homelessness**
- ☐ **Information and Referral Services for Homeless and Those At-Risk of Homelessness**
- ☐ **Grant Administration**

## Performance and Resource Overview

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**S**an José is the leading agency in the County to address the issue of ending chronic homelessness, since the approval of the Homeless Strategy. Housing Department staff has assisted in the development of the County's Ten-Year Plan to end homelessness and chaired two of the working groups (Permanent Supportive Housing and Assessment of Need and Measurement of Success). This core service also coordinates and oversees a contract with a coalition of agencies to assist homeless individuals and families and those at risk of homelessness. Direct services include information and referrals to emergency, transitional, and permanent housing options; coordination of rental assistance and mortgage payment assistance; and linkages to other services such as health care, job opportunities, and transportation. In addition, three grant programs are administered by this core service: the federal Emergency Shelter Grant program (ESG), grants and loans made through the Housing Trust Fund, and the Housing Opportunities for People with AIDS program (HOPWA). This core service contributes to the Economic & Neighborhood Development CSA outcome: *Diverse Range of Housing Opportunities*.

The City is placing a strong focus on using creative strategies to implement the City's aggressive Ten-Year Plan to eliminate chronic homelessness. Actions taken to meet this goal in 2004-2005 included completing a homeless count and survey, and establishing a "wrap-around" service contract to improve service delivery systems for the homeless throughout the City and County. In 2006-2007, the City will focus on working with its partners to implement a County-wide strategy to eliminate chronic homelessness over the next ten years, establishing a supportive service system that will enable homeless families to move directly into permanent housing, and working on a regional basis to ensure that homeless families receive services in their own jurisdictions.

The second main function of this core service is to administer the Department's program of providing grants to non-profit agencies delivering services to homeless individuals and families and those at risk of homelessness. This program oversees contracts, monitors compliance, and manages

# Economic and Neighborhood Development CSA






## Core Service: Provide Services to Homeless and At-Risk Populations *Housing Department*

### Performance and Resource Overview (Cont'd.)

disbursements. This ensures compliance with federal and State funding regulations and the delivery of service that is consistent with the goals of the Department and the City. In 2005-2006, the program will grant \$454,000 in ESG funds, \$713,920 in federal HOPWA funds, and will award up to \$3 million in Housing Trust Funds and \$1.5 million in State Proposition 46 funds.

#### Performance Measure Development

The performance measures are designed to evaluate how effectively the program provides assistance to the homeless population. The measures include services delivered through City funding of non-profit agencies offering specialized services to the homeless and those at risk of homelessness. Two new performance measures have been added to track the progress achieved toward the City's goal of ending and preventing chronic homelessness in accordance with the Ten-Year Homeless Strategy. One measure that had reported the estimated number of homeless people in the City was dropped. This data is derived from a census that is conducted no more often than every two years. The census is reported separately to the City Council, but will no longer be included in quarterly or annual performance measures.

Provide Services to Homeless and At-Risk Populations Performance Summary		2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 % of qualified clients who moved from homelessness to permanent housing		New	New	New	50%
 Ratio of non-City funds to City funds for individuals and families who are homeless or at risk of being homeless		0.81 to 1	4 to 1	4 to 1	4 to 1
 % of qualified clients that are referred to or assisted with emergency housing within 24 hours		93%	95%	95%	95%
 % of qualified at-risk clients who receive one-time rental/mortgage assistance within 5 days		95%	90%	90%	90%
 % of walk-in clients that are satisfied or very satisfied based on overall services, timeliness and courtesy		100%	95%	100%	95%

# Economic and Neighborhood Development CSA

## Core Service: Provide Services to Homeless and At-Risk Populations Housing Department

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
Estimated number of clients receiving direct or indirect assistance from community-based agencies assisted by City funds	22,582	15,000	20,818	17,000
Number of unduplicated clients assisted by the Homeless Program	15,532	8,000	6,440	6,800
Number of homeless people returning for services	6,800	8,000	4,350	6,800
Number of qualified clients referred to or assisted with obtaining a job	931	75	50	0
Number of clients assisted by phone	19,030	15,000	27,800	25,000
Number of clients seeking assistance with the following:				
1. Transportation	8,320	6,000	14,545	6,000
2. Referred to emergency housing	504	300	350	300
3. Referred to transitional housing	90	50	70	150
4. Referred to permanent housing	225	1,200	554	650
5. Information regarding landlord negotiations, intervention with Social Services (Calworks, Social Security, Veteran, etc.)	359	2,500	1,920	2,000

Provide Services to Homeless and At-Risk Populations Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 295,207	\$ 321,218	\$ 311,340	\$ 311,340	(3.1%)
Non-Personal/Equipment	14,827	32,493	29,597	29,597	(8.9%)
<b>Total</b>	<b>\$ 310,034</b>	<b>\$ 353,711</b>	<b>\$ 340,937</b>	<b>\$ 340,937</b>	<b>(3.6%)</b>
<b>Authorized Positions</b>	<b>3.40</b>	<b>3.40</b>	<b>3.30</b>	<b>3.30</b>	<b>(2.9%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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NONE

# Economic and Neighborhood Development CSA

## Core Service: Regulate/Facilitate Private Development *Public Works Department*

### Core Service Purpose

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**R**evue of private development to ensure that new development contributes to the safety and welfare of the citizens as well as the City's economic development.

#### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Grading Permits</b>            | <input type="checkbox"/> <b>Development Application Review</b> |
| <input type="checkbox"/> <b>Public Improvement Permits</b> | <input type="checkbox"/> <b>Assessment Engineering</b>         |
| <input type="checkbox"/> <b>Traffic Reports</b>            | <input type="checkbox"/> <b>Utility Permits</b>                |
| <input type="checkbox"/> <b>Inspection</b>                 | <input type="checkbox"/> <b>Underground Service Alert</b>      |
| <input type="checkbox"/> <b>Subdivision Maps</b>           |  |

### Performance and Resource Overview

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**T**here are three components to this core service: Development Plan Review and Inspection, which involves Public Works' review of private development planning projects, development of Public Works' conditions of approval, and inspection of public facilities construction; Assessment Engineering, which administers projects funded by municipal financing districts; and the Utility Program, which reviews and issues permits to utility companies and locates city owned underground facilities. The Development Fee Program is operated on a 100% cost-recovery basis and requires the flexibility of adding temporary positions in response to fluctuations in development activity.

All of the operational services under the core service of Regulate/Facilitate Private Development contribute to the Economic and Neighborhood Development City Service Area's outcome *Safe, Healthy, Attractive and Vital Community*.

The Development Plan Review and Inspection component of the core service involves Public Works' review of private development planning projects, development of Public Works' conditions of approval, and inspection of public facilities construction. The City Council mandates that the Development Fee Program recover 100% of the cost of development plan review and inspection. Prior to 2001-2002, workload measured by development revenues had increased steadily from approximately \$3.35 million in 1994-1995 to \$7.2 million in 2000-2001 due to the strength of the local economy and the demand for housing and commercial space. However, the economic recession experienced in the region caused the Development Fee Revenue to decline during 2001-2002 and 2002-2003. Prior to the economic downturn, an imbalance between the cost of providing services to developers and the revenue the City collected for delivering those services existed. This imbalance was, however, masked by the volume of workload Public Works staff was receiving. When the workload declined, it became apparent that the actual cost of providing services exceeded the amount of revenue the City was collecting and a fee increase was necessary.

# Economic and Neighborhood Development CSA

## Core Service: Regulate/Facilitate Private Development *Public Works Department*

### Performance and Resource Overview (Cont'd.)

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In 2003-2004, the first year the fee increases were in effect, workload increased dramatically resulting in record collections of \$7.7 million. While activity was lower than anticipated during the first half of 2004-2005, the program is still projected to meet its revenue forecast of \$7.1 million by the end of the year. Revenue collections are expected to remain flat at the \$7.1 million in 2005-2006, while program costs were estimated to increase to approximately \$7.4 million. This budget proposes a combination of actions including expenditure reductions and use of reserves to close that gap.

The Assessment Engineering section administers projects funded by municipal financing districts. Responsibilities of this section include preparing plans and specifications, awarding contracts, inspecting construction, collecting and accounting for assessment payments and maintaining public infrastructure improvements. Currently, this group assists the Department of Transportation to manage eight Community Facilities Districts, 13 Maintenance Assessment Districts, and 10 Improvement Districts. This section is also responsible for managing several public improvement related projects funded by the Redevelopment Agency, such as improvements in the Edenvale area.

The Utilities section reviews plans and issues permits for work performed by utility and telecommunications companies and locates City-owned underground facilities. The Utilities Section also prepares for City Council's approval a five-year utility undergrounding plan to underground existing overhead utility company facilities and remove utility poles. These activities are funded by the Public Utilities Commission's under-grounding program (e.g. PG&E's Rule 20A) and the developer assisted Underground In-Lieu Fees program (Rule 20B). Further information on this program can be found in the Developer Assisted Projects Capital Program section of the 2005-2006 Proposed Capital Budget.

Based on feedback from the City Council's Getting Families Back to Work Study Sessions, the adopted Economic Development Strategy, and recommendations from development industry groups, the cycle time performance measurement was raised from 85% to 100% in 2004-2005. This aggressive target reflects the continued emphasis on eliminating delays in the development process. Although the projected 2004-2005 cycle time performance measurement falls short of the desired goal, it is important to note that overall cycle time measurements have increased over the past three fiscal years (65% in 2002-2003, 83% in 2003-2004, and a projected 85% in 2004-2005). Due to the aggressive nature of this new measurement, the core service recognizes that the effective use of technology tools, such as the Application Management and Data Automation database system, will provide the resources for staff to attain the 100% target.

Both the "number of customer surveys returned" and "number of customers surveyed with a rating of good or excellent" activity and workload highlights are anticipated to fall short of 2004-2005 forecasted levels. This is due to a change in the methodology for data collection for these measures. The Department has adopted an automated e-mail survey as opposed to the classic telephone survey, which should ultimately improve the response rates. This change, however, was implemented late in the fiscal year, and the response level was not as high as anticipated. It is expected that current efforts to increase customer participation in surveys will result in an increase in the percentage of customers who respond to the survey in 2005-2006.





# Economic and Neighborhood Development CSA

## Core Service: Regulate/Facilitate Private Development *Public Works Department*

### Performance and Resource Overview (Cont'd.)

#### Performance Measures Development

The "Number of Utility Permit Plans Reviewed" workload measure is revised to now track major utility permits only. Previous performance data included major and minor utility permits. In the utility review processes, minor permits are issued within 2 days of submittal and do not require plan submittal.

Regulate/Facilitate Private Development Performance Summary	2003-2004 Actual	2004-2005 Target	2004-2005 Estimated	2005-2006 Target
 % of projects that receive thorough, complete, and consistent processing in the first cycle of the review process: Development Review*	80%	90%	85%	90%
 Ratio of current year fee revenue to Development Fee Program cost	108.3%	100%	100%	97.7%
 Selected cycle time measures for: Improvement plan processing targets met*	83%	100%	85%	100%
Planning processing targets met	83%	100%	85%	100%
 % of Development process participants rating service as good or excellent: Development Review*	73%	75%	85%	75%

\* This number represents only the Public Works component of the Development Permit Process. Other phases of this process are reflected in the Planning, Building, and Code Enforcement Department's Development Plan Review and Building Construction Inspection Core Service.

# Economic and Neighborhood Development CSA

## Core Service: Regulate/Facilitate Private Development Public Works Department

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2003-2004 Actual	2004-2005 Forecast	2004-2005 Estimated	2005-2006 Forecast
Fee program revenue	\$7,721,505	\$7,100,000	\$7,100,000	\$7,100,000
Fee program costs	\$7,131,855	\$7,100,000	\$7,100,000	\$7,267,178
Number of Development Improvement Plans reviewed for consistency and completeness	109	120	120	120
Number of major Utility Permit Plans reviewed for consistency and completeness*	508	510	510	510
Number of customer surveys returned	153	400	150	400
Number of customers surveyed with a rating of good or excellent	112	300	128	300
Service requests received	4,476	4,200	5,000	5,000
Service requests responded within pre-established and/or committed turn-around times	3,827	3,150	3,200	3,500
Number of feet of utility lines undergrounded	3,600	7,200	5,750	6,000
Number of underground service alert requests received	34,398	32,000	34,000	35,000

\* Please see Performance Measure Development.

Regulate/Facilitate Private Development Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 5,730,420	\$ 5,201,985	\$ 5,197,066	\$ 4,890,522	(6.0%)
Non-Personal/Equipment	418,207	285,593	292,380	525,725	84.1%
<b>Total</b>	<b>\$ 6,148,627</b>	<b>\$ 5,487,578</b>	<b>\$ 5,489,446</b>	<b>\$ 5,416,247</b>	<b>(1.3%)</b>
<b>Authorized Positions</b>	<b>54.72</b>	<b>58.79</b>	<b>54.29</b>	<b>52.02</b>	<b>(11.5%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Economic and Neighborhood Development CSA

## Core Service: Regulate/Facilitate Private Development *Public Works Department*

### Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY</b>			
<b>1. Public Works Fee Program</b>	<b>(2.00)</b>	<b>5,890</b>	<b>5,890</b>
In order to bridge the gap between anticipated revenues in 2005-2006 of \$7.1 million and expenditures of \$7.4 million while aligning staffing levels with customer service demands in the Public Works Development Fee Program, several actions are proposed: the elimination of 1.45 vacant positions (0.95 Sr. Engineer, 0.5 Structure/Landscape Designer), shifting the funding for 0.55 positions to the Capital Improvement Program, and reducing the Fee Program Earmarked Reserve by \$169,178. Offsetting these reductions is a non-personal/equipment augmentation of \$250,000, which represents the Fee Program's contribution to the Public Works Program Support Fund for compensated absence and administrative overhead costs. (Ongoing cost: \$5,890)			
<b>Performance Results:</b>			
<b>Cost</b> This action would reduce resources to match the projected workload for the Public Works Fee Program while maintaining customer service performance levels and ensure that the Program will attain a 100% ratio of fee revenue to development fee program costs.			
<b>2. Public Works Management Funding Shift</b>	<b>(0.27)</b>	<b>(37,629)</b>	<b>(37,629)</b>
This action redeploys 0.27 positions (0.2 Division Manager, 0.07 Administrative Officer) to the Strategic Support CSA and shifts their funding from the General Fund to the Capital Improvement Program. This transfer will more accurately align Public Works resources with anticipated workload in 2005-2006. (Ongoing Savings: \$37,629)			
<b>Performance Results:</b>			
No changes to service levels are anticipated as result of this action.			
<b>3. Public Works Non-Personal/Equipment and Overtime Efficiencies</b>		<b>(41,460)</b>	<b>(41,460)</b>
This action would reduce the Public Works Department non-personal/equipment budget by \$16,655 and the overtime budget by \$24,805. There will be no impact as a result of these reductions as these costs will be absorbed and shifted to the Public Works Support Operating Fund, if necessary. (Ongoing Savings: \$41,460)			
<b>Performance Results:</b>			
No changes to service levels are anticipated as result of this action.			
<b>2005-2006 Proposed Core Service Changes Total</b>	<b>(2.27)</b>	<b>(73,199)</b>	<b>(73,199)</b>



# Economic and Neighborhood Development CSA

Core Service: Workforce Development  
City Manager – Office of Economic Development

## Core Service Purpose

**A**ssist businesses in hiring a quality workforce through assessment, supportive services, and employability skills training.

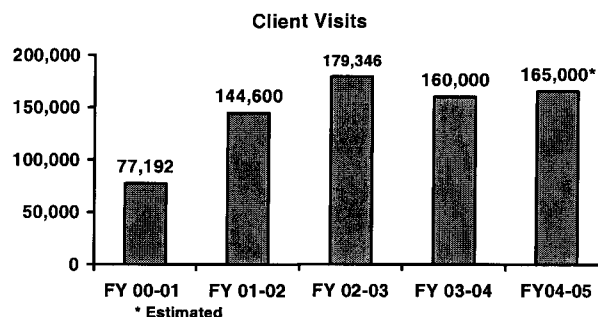
### Key Operational Services:

- ☐ Customized, professional career services
- ☐ Workforce reduction assistance
- ☐ Career transition management
- ☐ Employee attraction, training, and retention services

## Performance and Resource Overview

**S**ince July 1, 2000, the City of San José has acted as administrative and fiscal agent for the Silicon Valley Workforce Investment Network (SVWIN). The SVWIN provides Workforce Investment Act (WIA) programs across an eight-city service area: San José, Campbell, Gilroy, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill and Saratoga. WIA's employment development services align with and contribute to the *Strong Economic Base* Outcome of the Economic and Neighborhood Development City Service Area.

The Mayor acts as the Chief Local Elected Official for SVWIN. The City, through the Office of Economic Development, provides staff to SVWIN and is reimbursed for personnel costs from federal funds the City receives. The SVWIN Board (WIB) has authority to determine policy within the San José-Silicon Valley Workforce Investment Area. The City of San José, in its capacity as fiscal agent, reviews funding decisions to determine if U.S. Department of Labor procurement guidelines have been followed by the WIB and enters into contracts on behalf of the WIA program. Funding for WIA comes from two sources: (1) regularly allocated funding streams, and (2) grants that are awarded on a competitive basis. The main programs administered by the City of San José include three regularly allocated funding streams: Adult, Dislocated Worker, and Youth. In addition to WIA administrative staff supplied by the City of San José, two contractors manage programs for these main funding streams. San José Evergreen College District was awarded the WIA Adult and WIA Dislocated Worker contracts. In 2004-2005 the WIA Youth contracts, were awarded to Second Start/Pine Hill School for the Younger Youth (14-18) programs and San José Evergreen College District (WIN Program), Henkels and McCoy, San José Conservation Corps and Second Start/Pine Hill School for the Older Youth (19-21) programs.



# **Economic and Neighborhood Development CSA**

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## **Core Service: Workforce Development** *City Manager – Office of Economic Development*

### **Performance and Resource Overview (Cont'd.)**

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In 2004-2005, SVWIN continued to grow and is estimated to meet most of its employment and job retention goals for clients receiving WIA services. One of the challenges for the SVWIN program has been in the area of youth performance outcomes. In order to increase the ability of youth to retain their positions, youth clients are receiving more preparation on how to enter and retain their positions in this current job market to offset their employment disadvantages during this period of relative high unemployment. This strategy has resulted in significantly higher job retention rate by youth clients (53% vs. 33%) and has also led to an increase in the percentage successfully entering employment (66% vs. 52% target).

#### **Maintaining Customer Service**

Consistent with input received from the local Business Community via focus groups and the City's Economic Development Strategy, SVWIN has designated the following industry sectors, or "clusters" for targeting the WIA training funds received. The industry clusters targeted are: retail, hospitality, healthcare, bio-science, software, and financial services. Among the special training funding that has been awarded are funds to the hospitality industry in partnership with San José State University to train local residents as front desk, reservation and courtesy personnel; as well as restaurant/culinary personnel. In addition, funding has been provided to both Kaiser Hospital and Valley Medical Center to train local residents for laboratory and nursing occupations in the health care industry.

#### **Business Recruitment Assistance**

Also among the issues listed by local businesses as a hindrance is the identification of a qualified workforce. WIA services are designed to assist local employers in their recruitment of qualified applicants. Prospective interview candidates are screened by WIA staff according to employer-based criteria.

#### **Employment Support Services**

Also among the issues listed by local businesses as a hindrance to is the identification of a qualified workforce. WIA services are designed to assist local employers in their recruitment of qualified applicants. SVWIN staff advertise and prescreen resumes according to employer-based criteria, conduct special recruitments and job fairs to assist employers to find qualified job applicants.

The Business Services Program is a collaboration of partners who provide quality business development, entrepreneurial and employment services to a targeted 250 small minority women owned businesses. The objective is to provide businesses with workforce tools they need to succeed in a global economy. Business Services Program serves four areas: Human Resources, Technical Assistance, Information and Research and Access to Capital. Businesses can receive a variety of services including free posting of job listings, access to qualified job applicants, pre-employment

# **Economic and Neighborhood Development CSA**

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## **Core Service: Workforce Development**

*City Manager – Office of Economic Development*

### **Performance and Resource Overview (Cont'd.)**

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#### **Employment Support Services (Cont'd.)**

screening, specialized workshops, training for new employees and assistance with downsizing and employee transitions.

The intent of WIA is to provide clients with a broad range of support services that place them in jobs. WIA clients go through a process that includes services from recruitment to training to job search assistance and ultimately job placement. This timeframe is typically 18-24 months. Clients exit WIA services upon placement into unsubsidized employment.

In accordance with the vision of the Workforce Investment Act, three One-Stop Service Centers (one-stops) provide client services in three different cities of the eight-city service area. These one-stop centers are located in Campbell, Gilroy and San José.

#### **Vocational Classroom Training**

As part of the process to place jobseekers and upgrade the skills of workers, the WIA program includes vocational classroom training opportunities. Under the Workforce Investment Act, federal funds are provided for employment assistance and training for eligible youth, low income/disadvantaged adults, and dislocated workers. Training services for adults are contracted out through an application process and approved by the State of California Employment Development Department. Clients eligible for training select a training provider from a list of eligible training providers.

#### **Performance Measure Development**

Performance criteria for all Workforce Investment Boards across the United States are mandated by the United States Department of Labor. The performance measure targets for retention reported in this document represent those negotiated with U.S. Department of Labor and the State of California Employment Development Department for 2004-2005. Targets for 2005-2006 have not yet been negotiated. These retention numbers are most accurately reported four to five months after the end of the fiscal year.

# Economic and Neighborhood Development CSA

## Core Service: Workforce Development City Manager – Office of Economic Development

### Performance and Resource Overview (Cont'd.)

Workforce Development Performance Summary	2003-2004 Actual	2004-2005 Target*	2004-2005 Estimated	2005-2006 Target
🎯 Adults entering employment	66%	76%	72%	TBD*
🎯 Dislocated workers entering employment	69%	79%	74%	TBD*
🎯 Youth entering employment	52%	67%	66%	TBD*
🎯 Adults retaining employment	83%	80%	80%	TBD*
🎯 Dislocated workers retaining employment	88%	88%	89%	TBD*
🎯 Youth workers retaining employment	33%	53%	53%	TBD*

\* The performance measure targets in this document represent those negotiated with U.S. Department of Labor and the State of California Employment Development Department for 2004-2005. Targets have not yet been negotiated for 2005-2006.

Workforce Development Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 1,112,282	\$ 2,299,507	\$ 2,046,462	\$ 2,046,462	(11.0%)
<b>Total</b>	<b>\$ 1,112,282</b>	<b>\$ 2,299,507</b>	<b>\$ 2,046,462</b>	<b>\$ 2,046,462</b>	<b>(11.0%)</b>
<b>Authorized Positions</b>	<b>24.70</b>	<b>24.70</b>	<b>21.70</b>	<b>21.70</b>	<b>(12.1%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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NONE

# Economic and Neighborhood Development CSA

## Strategic Support

### *Conventions, Arts and Entertainment Department*

**S**trategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within Conventions, Arts & Entertainment includes:

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Fiscal Services</b>                | <input type="checkbox"/> <b>Employee Services</b>   |
| <input type="checkbox"/> <b>Capital Facilities Development</b> | <input type="checkbox"/> <b>Information Systems</b> |
| <input type="checkbox"/> <b>Marketing</b>                      |   |

## Performance and Resource Overview

Strategic Support Resource Summary	2003-2004 Actual*	2004-2005 Adopted	2005-2006 Forecast**	2005-2006 Proposed**	% Change (2 to 4)
	1	2	3	4	
<b>Strategic Support Budget *</b>					
Personal Services	\$ 846,431	\$ 515,770			(100.0%)
Non-Personal/Equipment	618,162	1,297,594			(100.0%)
<b>Total</b>	<b>\$ 1,464,593</b>	<b>\$ 1,813,364</b>			<b>(100.0%)</b>
<b>Authorized Positions</b>	<b>7.04</b>	<b>6.04</b>			<b>(100.0%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

\*\* Beginning in 2005-2006, Strategic Support in the Conventions, Arts and Entertainment Department has been eliminated and will no longer appear as the operation is now managed by Team San José.

# Economic and Neighborhood Development CSA

## Strategic Support

*City Manager – Office of Economic Development*

**S**trategic Support represents the services provided within departments that support and guide the provision of the core services. Strategic Support within the Office of Economic Development includes:

### ☐ **Administrative Support**

## Performance and Resource Overview

**S**trategic Support is an ongoing requirement to provide the core services of Office of Economic Development. For 2005-2006, no changes are proposed.

<b>Strategic Support Resource Summary</b>	<b>2003-2004 Actual 1</b>	<b>2004-2005 Adopted 2</b>	<b>2005-2006 Forecast 3</b>	<b>2005-2006 Adopted 4</b>	<b>% Change (2 to 4)</b>
<b>Strategic Support Budget *</b>					
Personal Services	\$ 1,218,344	\$ 307,911	\$ 688,602	\$ 688,602	123.6%
Non-Personal/Equipment	699,887	204,223	90,722	90,722	(55.6%)
<b>Total</b>	<b>\$ 1,918,231</b>	<b>\$ 512,134</b>	<b>\$ 779,324</b>	<b>\$ 779,324</b>	<b>52.2%</b>
<b>Authorized Positions</b>	<b>3.90</b>	<b>3.00</b>	<b>6.50</b>	<b>6.50</b>	<b>116.7%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

## Budget Changes By Core Service

<b>Proposed Core Service Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
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NONE

# Economic and Neighborhood Development CSA

## Strategic Support

### Fire Department

**S**trategic Support represents services provided within the Fire Department that support and guide the provision of the core services, including the core services rolling up to both the Public Safety and Economic and Neighborhood Development CSAs. The Strategic Support component is a single set of services provided without intentionally being “assigned” to specific CSA roll-ups.

Strategic Support within the Fire Department includes:

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Administration</b>         | <input type="checkbox"/> <b>Multilingual Services</b> |
| <input type="checkbox"/> <b>Equipment/Facilities</b>   | <input type="checkbox"/> <b>Safety/Wellness</b>       |
| <input type="checkbox"/> <b>Information Technology</b> | <input type="checkbox"/> <b>Training</b>              |
| <input type="checkbox"/> <b>Master Planning</b>        |   |

## Performance and Resource Overview

**S**trategic Support for the Fire Department provides support to two City Service Areas: Public Safety and Economic and Neighborhood Development. The description here relates to the services for Economic and Neighborhood Development.

In view of the economic outlook for 2005-2006, the Proposed Operating Budget does not include any adjustments. An internal reorganization, carried out mid 2004-2005 resulted in a more focused administrative component for support of internal operations and customer service.

Strategic Support Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 901,829	\$ 991,119	\$ 639,191	\$ 639,191	(35.5%)
Non-Personal/Equipment	13,856	244,549	26,789	26,789	(89.0%)
<b>Total</b>	<b>\$ 915,685</b>	<b>\$ 1,235,668</b>	<b>\$ 665,980</b>	<b>\$ 665,980</b>	<b>(46.1%)</b>
<b>Authorized Positions</b>	<b>15.30</b>	<b>14.22</b>	<b>8.64</b>	<b>8.64</b>	<b>(39.2%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

# Economic and Neighborhood Development CSA

## Strategic Support *Fire Department*

### Strategic Support Budget Changes

Proposed Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			



# Economic and Neighborhood Development CSA

## Strategic Support Housing Department

**S**trategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Housing Department includes:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Policy Development</b>   | <input type="checkbox"/> <b>Facility Management</b>  |
| <input type="checkbox"/> <b>Long Range Planning</b>  | <input type="checkbox"/> <b>Vehicle Maintenance</b>  |
| <input type="checkbox"/> <b>Financial Management</b> | <input type="checkbox"/> <b>Audit Supervision</b>    |
| <input type="checkbox"/> <b>Computer Services</b>    | <input type="checkbox"/> <b>Materials Management</b> |
| <input type="checkbox"/> <b>Clerical Support</b>     | <input type="checkbox"/> <b>Public Education</b>     |
| <input type="checkbox"/> <b>Employee Services</b>    |  |

## Performance and Resource Overview

**T**he Housing Department's organizational structure consists of: new construction, housing rehabilitation, loan monitoring, management and analysis, and grant management. Strategic Support is an ongoing requirement to provide the core services of the Housing Department. For 2005-2006, no changes are proposed.

Strategic Support Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Proposed 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 2,136,649	\$ 2,322,107	\$ 2,329,116	\$ 2,329,116	0.3%
Non-Personal/Equipment	817,759	611,143	401,492	401,492	(34.3%)
<b>Total</b>	<b>\$ 2,954,408</b>	<b>\$ 2,933,250</b>	<b>\$ 2,730,608</b>	<b>\$ 2,730,608</b>	<b>(6.9%)</b>
<b>Authorized Positions</b>	<b>23.30</b>	<b>23.30</b>	<b>22.70</b>	<b>22.70</b>	<b>(2.6%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

## Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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NONE

# Economic and Neighborhood Development CSA

## Strategic Support

### *Planning, Building and Code Enforcement Department*

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**S**trategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Planning, Building and Code Enforcement Department includes:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Administration</b>     | <input type="checkbox"/> <b>Human Resources</b>        |
| <input type="checkbox"/> <b>Clerical Services</b>  | <input type="checkbox"/> <b>Information Systems</b>    |
| <input type="checkbox"/> <b>Budget Preparation</b> | <input type="checkbox"/> <b>Marketing and Outreach</b> |
| <input type="checkbox"/> <b>Fiscal Services</b>    | <input type="checkbox"/> <b>Safety/Wellness</b>        |

## Performance and Resource Overview

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**T**he desired outcomes for Strategic Support include support for policy development to protect public health, safety and welfare; provision of information and data to the general public; and provision of administrative services to Department and City staff to ensure achievement of the Department's objectives.

### **Administrative Support**

Planning, Building and Code Enforcement's Administrative Services Division continues to serve a Department of over 330 employees with a very lean administrative support team. Under the direction of the Department's Administrative Officer, the Administrative Team consists of two Senior Analysts, three Analysts (each Division has one Analyst providing all administrative services), one Staff Technician (Code Enforcement), and one Principal Office Specialist who supports all of the professional administrative staff. The Division Analysts supervise the accounting staff in each Division. The Administrative Officer also manages the Information Technology Department staff assigned to PBCE. In a large Department with four diverse operational Divisions in three locations, the support logistics and workload are considerable. A major challenge in the coming year will be to minimize disruptions for the operational staff during the move to the new City Hall while continuing to provide excellent support services.

### **Service Costing**

One of PBCE's Senior Analysts is dedicated to analyzing the costs of the components of the City's development service process. In 2005-2006, the focus will be on Building Division and Fire Department development service operations. A cost analysis of Planning development services will follow in 2006-2007.

# Economic and Neighborhood Development CSA

## Strategic Support

*Planning, Building and Code Enforcement Department*

### Performance and Resource Overview (Cont'd.)

#### Information Systems

The Administrative Services Division will need to work very closely with the Information Technology Department to ensure that the network and desktop support services so crucial to department operations are maintained at their current high level when centralized in the new City Hall.

A high priority 2005-2006 work plan item for the administrative staff and the Information Technology staff assigned to the Department will be the development of reporting systems to maximize the potential of the Integrated Development Tracking System and Code Enforcement System to track the activity time of staff resources and deliver the critical data the Department needs for costing services and focusing resources to best meet customer needs.

#### Technical Funding Adjustment

To clarify the accounting of development fee expenses, the appropriate part (55%) of two administrative support positions that serve the Planning Fee Program will now be directly charged to that program. The two positions are Planning's Division Analyst and Accounting Technician. While there is an increased cost to this fee program in 2005-2006, there will be a corresponding reduction in the calculation of 2005-2006 overhead that will reduce the overhead paid by the Planning Fee Program by an equivalent amount on an ongoing basis.

<b>Strategic Support Resource Summary</b>	<b>2003-2004 Actual 1</b>	<b>2004-2005 Adopted 2</b>	<b>2005-2006 Forecast 3</b>	<b>2005-2006 Proposed 4</b>	<b>% Change (2 to 4)</b>
<b>Strategic Support Budget *</b>					
Personal Services	\$ 1,324,476	\$ 955,839	\$ 1,072,310	\$ 1,072,310	12.2%
Non-Personal/Equipment	302,806	354,929	359,529	359,529	1.3%
<b>Total</b>	<b>\$ 1,627,282</b>	<b>\$ 1,310,768</b>	<b>\$ 1,431,839</b>	<b>\$ 1,431,839</b>	<b>9.2%</b>
<b>Authorized Positions</b>	<b>7.90</b>	<b>7.90</b>	<b>8.85</b>	<b>8.85</b>	<b>12.0%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

# Economic and Neighborhood Development CSA

## Strategic Support

*Planning, Building and Code Enforcement Department*

### Strategic Support Budget Changes

Proposed Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY</b>			
1. Planning Support Staffing Funding Shift		0	0
This action reallocates portions of two positions (1.10 positions) from the General Fund to the Planning development fee program (Analyst and Accounting Technician). These positions support the administration of the planning development fee program. (Ongoing savings: \$0)			
<b>Performance Results:</b>			
<b>Quality/Customer Satisfaction</b> Prevents deterioration of current service levels.			
2005-2006 Proposed Strategic Support Changes Total	0.00	0	0